

E

UNIVERSITY  
PENNSYLVANIA  
LIBRARIES







An Historical Survey  
and  
Development Plan  
for  
2133 Arch Street  
(The Juvenile Court and House of Detention)

John Edward Doyle

A THESIS  
in  
Historic Preservation

Presented to the faculties of the University of Pennsylvania  
in Partial Fulfillment of the Requirements for the Degree of

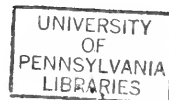
MASTER of SCIENCE

1986

*John Milner*  
Supervisor's Name

*David DeLong*  
Graduate Group Chairperson

FINE ARTS  
NA  
02  
1986  
D654





## TABLE OF CONTENTS

- I. Introduction
- II. Site Description
  - A. Location
    - 1. Demographic Information
      - i. Center City Office Market
      - ii. Center City Residential Market
      - iii. Center City Retail Market
      - iv. Neighborhood Outlook - Logan South
    - 2. The Neighborhood in the Historical Context of the City
    - 3. 2133 Arch St. in the Context of the 1984 Logan South Building Stock
    - 4. A 75 year survey of the Logan South Building Stock:
      - i. 1910
      - ii. 1939
      - iii. 1984
      - iv. Summary
    - 5. Projected Future Developments in Logan South
      - i. Projection
      - ii. Review
  - B. Historical
  - C. Architectural
  - D. Room Arrangement, Description and Existing Conditions
- III. Development Plan - Mixed Use
  - A. Design plan
  - B. Financial Information - Establishing a Corporation
    - 1. Development Risks
    - 2. Financial Highlights
    - 3. Financial projections
  - C. Marketing Plan
    - 1. Proposed Tenents
- V. Development Plan - Commercial - Grade B
  - A. Design Plan
  - B. Financial Information
    - 1. Development Risks
    - 2. Financial Highlights
    - 3. Financial Projections
    - 5. Construction Time Plan





- C. Marketing Plan
  - 1. Proposed Tenents

VI. Proposed Plan by Present Owner - Commercial - Grade A

- A. Review of Design Plan
- B. Review of Investment Plan
  - 1. Financial Highlights & Projections

VII. Critique

- A. Highlights of the Three Alternate Use Plans
  - 1. Financial Review
  - 2. Design Review: strengths and weaknesses of owners plan and thesis plan

VIII. Recommendations

IX. Concluding remarks (AUTHORS RESPONSE TO READERS' REVIEW)



# LIST OF ILLUSTRATIONS AND TABLES

Population	Exhibit 1
SMA Map	Exhibit 2
Non Farm Employment	Exhibit 3
Non Farm Employment by Industry	Exhibit 4
Major Philadelphia Employers	Exhibit 5
Rental Rates	Exhibit 6
Major Developments	Exhibit 7
Demographic information	Exhibit 8
News Article	Exhibit 9
Jackson Cross Data	Exhibit 10
Jackson Cross	Exhibit 11
Jackson Cross	Exhibit 12'
Jackson Cross	Exhibit 13
Jackson Cross	Exhibit 14
Building Stock Inventory	Exhibit 15
Bromley Survey	Exhibit 16
Franklin Survey	Exhibit 17
Author's Survey	Exhibit 18
Original Drawings	Exhibit 19
Original Drawings	Exhibit 20
Original Drawings	Exhibit 21
Original Drawings	Exhibit 22
Original Drawings	Exhibit 23
Original Drawings	Exhibit 24
Plan 1 Proposal	Exhibit 25
Plan 1 Proposal	Exhibit 26
Plan 1 Proposal	Exhibit 27
Existing Plan	Exhibit 28
Plan 1 Proposal	Exhibit 29
Existing Plan	Exhibit 30
Existing Plan	Exhibit 31
Plan 1 Proposal	Exhibit 32
Existing Plan	Exhibit 33



# LIST OF ILLUSTRATIONS AND TABLES

Financing Plan 1	Exhibit 34
Financing Plan 1	Exhibit 35
Financing Plan 1	Exhibit 36
Financing Plan 1	Exhibit 37
Financing Plan 1	Exhibit 38
Plan 2 Proposal	Exhibit 39
Existing	Exhibit 40
Plan 2 Proposal	Exhibit 41
Existing	Exhibit 42
Plan 2 Proposal	Exhibit 43
Existing	Exhibit 44
Existing	Exhibit 45
Plan 2 Proposal	Exhibit 46
Existing	Exhibit 47
Financing Plan 2	Exhibit 48
Financing Plan 2	Exhibit 49
Financing Plan 2	Exhibit 50
Financing Plan 2	Exhibit 51
Financing Plan 2	Exhibit 52
Plan 3 Architect's letter	Exhibit 53
Plan 3 Proposal	Exhibit 54
Plan 3 Proposal	Exhibit 55
Plan 3 Proposal	Exhibit 56
Plan 3 Proposal	Exhibit 57
Plan 3 Proposal	Exhibit 58
Plan 3 Proposal	Exhibit 59
Plan 3 Proposal	Exhibit 60
Financing Plan 3	Exhibit 61
Financing Plan 3	Exhibit 62
Financing Plan 3	Exhibit 63
Financing Plan 3	Exhibit 64
Financing Plan 3	Exhibit 65
National Register Nomination	Exhibit 66
1908 Testimonial Text	Exhibit 67



## ACKNOWLEDGMENTS

I am wholly indebted to Joseph S. Moloznix, Esq., for raising my skills in writing and communication so that I was able to competently execute this Thesis. I am forever grateful of my bond of friendship to David and Libbet who provided me with daily support throughout this exercise.





## I. INTRODUCTION

This thesis analyzes the opportunities for historic preservation in the re-use of a medium sized historic building in Philadelphia in 1984. Some background information may highlight the main elements of the thesis. The thesis site is 2133 Arch St., formerly the Juvenile Detention Center. The building on the site was designed by Philip Johnson and constructed in 1908. The significance of the building is the historical role it holds as the first juvenile detention center in America. In addition, it represents a precedent in architectural design. However, its 26,000 sq. ft., four floors and room arrangement are such that the building could be occupied immediately as offices by a number of tenants.

The building does possess a number of characteristics which hinder its development as a high rent office building. These problems are representative of buildings throughout the City. They include: under utilization, middle age and marginal size. The thesis will present three alternative solutions to attempt to resolve these problems.

The three alternatives will integrate three separate levels of historic preservation. These alternatives are representative of contemporary re-use alternatives: Mixed Use, Commercial Class B and Commercial Class A. The Mixed Use and Class B plans will meet the Secretary of the Interior's Standards for Rehabilitation of an historically certified building. The Class A plan is for a



building not historically certified but receiving extensive adaptive designs for a Class A presentation. The differences in these plans has a marked effect on the investment tax credits available to the owner.

The amount of the ITC is of major importance. If the developers rehabilitation meets the Secretary's Standards a 25% ITC is available, whereas if he does not want to incur the costs to meet the Secretary's Standards he will qualify for the lesser 20% ITC. An analysis of the costs and benefits are explored to determine which is a better alternative for the developer.

The question of whether 25% or 20% is the preferred route is approached by developing future use plans for the building from the perspective of the developer, which in this instance is a limited partnership. A formal perspectus has been prepared for each plan and is included in the thesis. However, unlike a modern developer's perspectus, this is foremost a thesis in Historic Preservation that seeks to determine the economic viability of integrating a preservation consciousness throughout the owner's decision making process.



## II. SITE DESCRIPTION

### A. LOCATION

#### 1. General Demographic Information

Note: The following demographic information was generated for an earlier assignment. It was written and researched as a team report that I directed during the Spring, 1984, for a course at the Wharton Graduate School.

The City of Philadelphia has a population of 1.7 million people and covers an area of 129 square miles. (Exhibit 1) It is at the center of an eight county metropolitan area that has approximately 4.7 million people residing in it. The counties that comprise this area are Bucks, Chester, Delaware and Philadelphia in Pennsylvania and Burlington, Gloucester and Camden counties in New Jersey. (Exhibit 2)

There are a variety of cultural, historical, recreational sports and entertainment activities available in the City. It is the hub of the metropolitan area.

Center City Philadelphia has undergone major changes in the past two decades. Old manufacturing businesses have moved away and service industries have started to replace them. This has caused the City to change, both in its demographic profile and physical presence. Many areas of Center City have undergone or are presently undergoing major renovations.



In the early 1960's, Ed Bacon, Director of the City Planning Commission, orchestrated a Center City master plan to help<sup>1</sup> revitalize commercial activity and bring new amenities to the area, such as the construction of office buildings and additional transportation facilities. There has been a lot of building activity in almost every area of Center City Philadelphia. The following are examples of the dynamics in the Philadelphia real estate market today:

1. In a joint effort, the federal government, the City and private citizens have redeveloped the area near Independence Hall. A park, the United States Mint, the Federal Reserve Bank of Philadelphia, a Federal Courthouse and Federal Office Building, and the Rohm and Haas Corporation are all now located in this area.

2. There has also been substantial revitalization in the residential neighborhoods of Society Hill, Olde City, Franklinton, Washington Square West and Rittenhouse Square. In Society Hill many of the residential structures have been restored, while new ones have been built amidst the old. In Olde City, warehouses and commercial buildings have been converted to residential use. Rittenhouse square has seen some renovation and new construction in the Rittenhouse Regency, the Wanamaker House and 1900 Rittenhouse Square. All of this activity has encouraged residential reinvestment in areas adjoining Center City - Queen Village, Fairmount, Spring Garden and Northern Liberties.





3. There is also a lot of retail and hotel construction going on. A J.C. Penney's department store and the Gallery II are located in the Market Street East area, adjacent to the Gallery I which was opened in 1977. Average annual retail sales in the mall are \$230 per square foot, an extremely high number.

4. New hotels have also opened their doors recently. The Hershey Hotel at Broad and Locust Streets opened in 1983 and has 450 rooms. The Four Seasons Hotel, one of the most elegant in the city, has 377 rooms and was completed in August, 1983. These, combined with the Bellevue-Stratford Hotel, the Marriott, Adam's Mark, Hilton, Sheraton, Franklin Plaza and numerous others, give visitors to the City a wide variety of choices in terms of location and price of their accommodations.

5. The Market Street East area of the City is also seeing major changes. A rail tunnel linking the two commuter train networks operated by SEPTA is under construction. It is expected to cost 320 million and should be completed within weeks. The new 11th Street commuter rail station and the tunnel will link subway and bus transportation systems in the area and greatly enhance the convenience and accessibility of that region. One Reading Center, a new \$77 million office building located at 11th and Market Streets was completed in June of this year. A convention center is also slated to be developed in this area. The Sovereign Realty division of Butcher and Singer has bought the Stern Building at 7th and Market Streets and will renovate it



into office space. The future of the Lit's Building at 7th and Market Streets is still uncertain; however, the general level of activity in this area is high.

6. The Franklin Plaza project is in the Franklinton area of Center City. It has an 800 room hotel and office building which is the headquarters of the SmithKline Beckman Corporation.

7. The Penn's Landing waterfront area might also see a lot of new development if some access problems can be solved.

8. The City has also recently attracted large businesses to locate here. CIGNA Corporation, an insurance company with assets of \$31 billion, is now headquartered here. Bell Atlantic has brought 300 new jobs to the area, as well as AT & T.

All in all, the City has seen a tremendous amount of development in the past decade and this trend looks as if it will continue. Jackson-Cross' Chairman, Charles Seymour, stated in his company's 1984 first quarter market survey there are eight potential starts for new office buildings in Center City Philadelphia in 1984. As one surveys JFK Blvd and Market St. West in December of 1984 one finds his projection accurate.



## EMPLOYMENT

According to the U.S. Bureau of Economic Analysis, there are 838,690 persons employed with the City of Philadelphia as of 1981. This is 40% of the metropolitan area employment. (Exhibit 3) There have been losses in employment in the City since 1974 due primarily to the decline of manufacturing businesses in the City. However, losses have not been as bad as they could have been because of the growth in the service sector and the stability in other non-manufacturing sectors. This point is borne out by both a visual survey of the dominant businesses in the City today and by 1982 statistical data accumulated by the Bureau of Labor Statistics and the Department of Labor. From these observations one sees that services have experienced the most dramatic growth in the City's economy, with employment expanding from 210,508 in 1974 to 235,634 in 1981. Due to the change in the City's composition of businesses (from manufacturing to services), it is now less vulnerable to the cyclical economic fluctuations to the national economy because it is increasing its dependence on the less cyclical non-manufacturing sectors.



## OVERVIEW - CENTER CITY OFFICE MARKET

The Center City office market is starting to be recognized by national and international investors such as Goldman, Sachs and Company, The Abacus Group and Japan's Asahi Insurance. In 1983, more than a dozen office buildings were purchased for over \$300,000,000 in total. The feeling is that real estate is still undervalued here. The office market in the City has been able to survive the poor economic conditions that faced the country in the late 70's and early 80's without giving up too much to tenants. Caldwell Banker's September 1983 Nationwide Office Vacancy Index<sup>3</sup> for downtown office space showed Philadelphia with a vacancy rate of only 9% compared to Denver with a rate of 22%, Dallas 13% and Atlanta 16%. Because of the relatively low vacancy rates, rental rates have not been depressed here as in many other cities. Due to staggered construction starts over the past few years decades, Philadelphia has not had an overbuilt situation that has plagued other major cities

According to Jackson-Cross' January 1984 Office Market Survey, in the Philadelphia Central Business District, total office space leased for all classes of buildings (existing Class A and B, rehabilitations and under-construction) was 2,408,069 sq. ft. in 1983. This was a 143% increase over 1982, an exceptionally poor economic year. 1,734,632 sq. ft. was leased in Class A buildings and 588,160 sq. ft. in Class B buildings during last year. 44,200 sq. ft. was leased in rehabilitation projects. The 143% increase from 1982 to 1983 was exceptional but it is not a poor





indication of the expected growth in office space the City will have available over the next four years.

Subleasing activity has also decreased. In downtown Philadelphia, there were 267,000 sq. ft. of space available for sublease. This was 163,000 sq.ft. less than in 1982. This decline was explained in the Jackson-Cross Survey by Charles Seymour, Chairman and CEO:

"The trend toward increased subleasing began about three years ago when the economic pinch forced many companies to reduce their staffs and space requirements and try to farm out the excess space with which they suddenly found themselves. This is still true in some instances but we are beginning to see a return of the more traditional reason for subleasing: a company's expansion into new space because it has outgrown its previous space. Through a combination of fortunate timing of new construction over the past few years and a stable, broad-based economy, leasing activity in Philadelphia has shown an underlying strength even during periods of a weak economy. We have seen a gradual, but steady increase in rental rates." 4

In a November interview with Greg West, a commercial real estate broker at Jackson-Cross, I was quoted the following rental rates for Center City Philadelphia office space: Class A, \$19 - 26 sq.ft.; Class B, \$10 - 18; and Class C anything below \$7 or \$8. According to a survey conducted in December, 1983 by the North Atlantic Investment Corp. the rates for new space under construction ranges from \$22.75 - 29.00 sq. ft. plus electricity, with an average of \$26.50. (Exhibit 6) Operating costs for 1984 are projected at \$5.22 to \$7.74 sq. ft. in Center City.



The Jackson-Cross Survey estimates 2.6 million sq.ft. of space is available in all categories at the beginning of 1984, 1.5 million will be leased during the year and an additional 1 million will be introduced. The majority of this activity will take place west of City Hall on Market Street and JFK Blvd. This projection is reinforced by the survey of new projects in Exhibit 7.



## OVERVIEW - CENTER CITY RESIDENTIAL MARKET

As compared with other major cities, Philadelphia has a competitive edge in terms of costs of living. It can provide many services and facilities that are not available in the suburbs. Consequently, the residential real estate market appears to be rebounding. According to a survey conducted by the City Planning Commission, the number of unsold housing units in Center City dropped from 430 to 120 between April and November of 1983. The number of new rental units on the market dropped from 400 to 80. Residential vacancy rates are 5.8%.

In a March, 1984 interview with Sandra Garz, Housing Director for the City Planning Commission, I was told that the rental market was very strong now and consequently there were a number of new developments of apartment units planned for Center City.

Historic Landmarks for Living is a real estate development firm that specializes in rehabilitating buildings for residential use and is known to have a sharp eye for potential development sites. At the beginning of 1984 it had plans to renovate six buildings into apartments. In addition to Landmarks' projects the Toll Brothers have plans to develop 390 apartments and condominiums on the site of the old Naval Home. Abbotts Square, a 223 unit condominium development at 2nd and South Streets (Blumenfeld Co.) should be completed by the spring of 1985.

In 1983 townhouse and condominium sales rose to 592 units, a 51%



increase over 1982. The average selling price for Center City residential units increased to \$124,000, a 12.7% increase over 1982.<sup>6</sup> Within this market, townhouse sales were significantly stronger than condominium.

In a March interview with Ann Bailey, residential broker with Jackson-Cross, I was told 1984 will be another strong year for residential sales. She believed that prices would increase at an accelerated pace as the supply dwindles and demand rises. The housing units that are being built tend to be smaller to reflect the fact there is a growing proportion of home buyers who are young, career-oriented couples who do not plan to have a large family; single professional people; and empty nesters.

The Philadelphia City Planning Commission's recent study of housing trends revealed that although the total number of individuals living in downtown Philadelphia has remained relatively stable between 1970 and 1980, the number of households<sup>7</sup> increased by 11%. This means that the number of single and two person households has increased dramatically (while the number of larger households has decreased). The average household has decreased to 1.87 person/household in the Center City area (Neighborhood Service District Profiles, 1982). These people are prime candidates for new and renovated apartments and condos.

In Center City, 77% of all occupied units are lived in by renters and 23% are lived in by homeowners. The inventory of rental units in this area increased 7% between 1970 and 1980, while owner-occupied units increased by 27%.<sup>8</sup>





On average, over the past five years. 562 new units have been constructed yearly in Center City. This was 98.6% increase over the 1968-72 period. The current rate of absorption for new housing is now projected to be 645 units yearly.

The Logan Circle area and the western portion in particular, has experienced new housing construction in the past five years. Only the Rittenhouse Square/Center City West had more construction activity.

An objective of the Planning Commission's recent housing survey was to find out more about the people who live in Center City and why they chose to live there. Based on the demographic profile of the respondents, it appears that the statistics revealed by the study may be biased. Their education and income were significantly higher than the median. However, there is some valuable information that can be gained from the survey. More people cited moving into the city for job or school-related reasons than any other reason. Society Hill, Olde City, Rittenhouse Square West and Logan Circle have attracted more new residents from the suburbs than any other areas of the city.

Being close to work was one of the prime attributes that Center City living afforded. The expansion of professional service industry jobs should help increase the absorption of housing tremendously. Generally, the outlook for residential housing in Center City looks bright.



## OVERVIEW - RETAIL MARKET

According to the Pennsylvania retail trade census data of 1980, there are 44 major retail centers and three central business districts representing nearly 4,800 stores in the Philadelphia metropolitan area. There are 1.66 million households in the eight-county area, representing an effective buying income of \$44.7 billion. In 1982, retail sales were \$19.9 billion.

There are 33 major shopping centers in the area. According to the Urban Land Institute,<sup>10</sup> this amount will be sufficient to accommodate demand for the next several years. Except for Pathmark, supermarkets have not been expanding. However, off-price outlet centers have been catching on. The home improvement outlet has also been popular in the Philadelphia area.

Rental rates in downtown Philadelphia have increased dramatically recently. A 3,000 sq. ft. store between Broad and 18th Streets and on Chestnut or Walnut typically leases for \$55/sq. ft..

There has been some commercial/retail development in the Concourse beneath Two and Three Penn Centers (\$25/sq. ft.)

In the Market Street East area, Gallery II and a J.C. Penney store have been completed. They are located next to the Gallery I, Gimbels and Strawbridges. Market Street East is becoming the retail focus of downtown Philadelphia.



## NEIGHBORHOOD OUTLOOK - LOGAN SOUTH

Logan South appears to be following many of the general trends that Center City is following. The area immediately surrounding 2133 Arch St. is a successful blend of commercial and residential development. There are small and medium size office buildings, townhouse units and hi-rise apartment dwellings. Much of this area has been rehabilitated in the past decade and only a few isolated spots remain to be completed. In fact, about 85% of the townhouses in the area have been newly built or renovated in the past five years. Rivers' Edge and Westminster Arch, two apartment buildings, are also fairly new.

The area is easily accessible by foot to 30th Street Train Station(1/4 mile), the Greyhound Bus Terminal(1/3 mile) and City Hall(1/2mile). Public bus and subway lines stop within one block of the building at 22nd and Arch and 22nd and Market. The subway stop at Market will be renovated. A Schuylkill Expressway entrance is located at 22nd Street, a few short blocks to the north.

Logan Circle, the Franklin Institute, Moore College of Art, Philadelphia Public library and the Four Seasons Hotel are easily within walking distance. The Art Museum and Fairmount Park are approximately one mile away.

The Central Business District of the city is creeping closer to this area as development continues west of Market Street and JFK



Blvd. (PECO is located at 23rd & Market). The area is becoming increasingly less "detached" from the core of the central business district.

Rental rates in the area for office space range from \$8/sq. ft. in the Scott Building to \$13.50/sq. ft. in the building at 20th and Arch Sts. The BioSciences Information Services Building and a small building that Laventhol and Horwath (accounting firm) uses for some of its support staff, are also located on the block. These are all Class B buildings. The only space that is available is 7,000 sq. ft. in the 20th and Arch building (street level) and three small spaces in the BioSciences building. The Laventhol and Scott buildings are fully occupied. These buildings are all adequate but don't offer any excitement in their design or atmosphere.

There is also a large residential community in the area. According to the 1980 Census of Population and Housing, there are 6,700 people living within a three block radius to the north and south and Broad Street and the Schuylkill to the east and west. There are 4,755 housing units in these two areas combined, with an average household size of 1.4 persons. There is a 5.7%  
11  
vacancy rate in the area. (Exhibit 8)

Rental rates vary widely in the area. One bedroom apartments in Westminster Arch, a hi-rise at 23rd and Arch Street, rent for approximately \$440/month and electricity; Trinity Row, a group of





townhouse renovate into apartments by Historic Landmarks for Living are renting for a substantially higher price. One bedroom apartments range from \$500 to \$630 per month plus electricity. There are eighteen units in this development and over 75% were rented before construction was completed.

The majority of townhouse units between 20th and 22nd on Arch are selling for more than \$150,000. The smaller ones on the side streets sell for less at \$80,000 to \$100,000. However, when Rivers Edge (at 23rd and Cherry) was first built as a condominium they didn't sell, so they are now rented out and the building is full.

There is daytime parking available on outdoor lots at 23rd and Arch (\$65/mo) and 22nd between Market and Arch. There is no overnight parking at any lots nearby the building. If people don't have their own garage, they have to park their cars on the street. It is sometimes difficult to find a parking spot that you can keep a car both overnight and during the daytime.

After analyzing the area surrounding 2133 Arch I felt that it would be suitable as an office building or a residential dwelling.

Although the neighborhood is far from perfect and there are still a few buildings that need to be rehabilitated it is close enough to the center of downtown Philadelphia to represent a good development opportunity. As the center of the city expands, this



area will appreciate in value. When Historic Landmarks for Living came into the area, my confidence that this was a viable place for a renovation was further substantiated.

I also considered the building by itself. It is located on the northeast corner of the intersection of 22nd and Arch Streets. The north and east facades of the building face alleyways which back up to other buildings. These two sides do not offer breathtaking views by any means. However, there is a courtyard located in the center of the building. If used properly, this could be a key selling feature. I feel that if the space could be turned inward to focus on the courtyard, especially on the north and east sides, it could compensate for the outward view. With residential apartments. if the apartments faced the courtyard, people would lose their privacy. If hallways were run around it, with entrances off of them, the building would lose alot of the benefits that the courtyard could offer. With offices, one could offer the courtyard view as highly desirable space. Hallways could then be located on the outside rim of the interior on those two sides. This would depend on who rented the space and what their actual design needs were.

As parking is always an important consideration to would-be tenants, it is felt that this attribute would be better serviced by use of the building as office space. The daytime parking situation (which is what offices use) is immediately available a block away, while the nighttime situation is not optimistic.



There is no room on the property to offer parking.

One could rent 20% more square feet room using the building as offices rather than as residences. It would cost an additional \$15 a sq. ft. to renovate the building into apartments while generating only \$.50/sq. ft. more in rent.

2133 Arch St. has 26,00 rentable sq. ft. Since close to 600,000 sq. ft. of Class B space was leased in 1983, this property would have a minimal impact on the 1984 supply of office space. I believe the market will have no trouble absorbing this additional space given the current market expenditures. In addition the building will offer a different atmosphere than the typical Class B office building.



## II. SITE DESCRIPTION

### A. Location

#### 2. The Neighborhood in the historical context of the City

2130 Arch St. is located in a neighborhood this thesis identifies as Logan South. Its boundaries are: to the north, Summer, Spring, and Race Sts.; to the South, Cuthbert St.; to the east, 20th St.; and to the west, 23rd St. The contemporary stock of real estate in the Logan South neighborhood accurately reflects the changes the City of Philadelphia has undergone over the past 75 years.

Philadelphia has experienced the following changes during the 20th century: a turn-of-the-century manufacturing based economy decay and dissolve by the close of World War II, the City's economy and population take a precipitous plunge during the 1950's and '60's that was valiantly attacked with a government master plan (the objectives of which plan could only be achieved with the endorsement and participation of the private sector); and the 1970's and 1980's marked the coming of a second economy to Philadelphia, one based on the private sector's service industry.

The preceeding synopsis of Philadelphia's 20th century economic history will be referred to in later reports. Because the City's economic history closely parallels Logan South's this synopsis will explain the order of changes Logan South has experienced to





its building stock. Just as the general history of the city provides a frame in which to identify Logan South so does the Logan South neighborhood provide a frame around 2133 Arch St.

### 3. 2133 Arch St. in the context of the local 1984 building stock

2133 Arch St. was constructed on five residential lots (2133-2141 Arch St.) and, according to a deed search I conducted in the Department of City Records, the residential structures which stood on these lots appeared to have been constructed during the 1860's. There are few examples of residential dwellings from the 1860's on Arch St. today, however the neighborhood remains dominantly residential. New construction and adaptive re-use of existing buildings in the past five years were pivotal in maintaining a residential character. Prior to, and concurrent with, the recent residential development an influx of professional tenants have been shifting this section of Arch St. from a residential base toward a commercial one. The remaining buildings on Arch St., between the river and 20th St., that haven't been developed for either purpose haven't any singular features which specifically identify them for either future residential or commercial use. 2133 Arch St. is a typical example of the buildings on Arch St., that could be developed for either purpose - or both.

The real estate dynamics along Arch St., from 20th to 23rd Sts., can also be found to the north on the numbered streets. The



streets north and parallel to Arch, up to Logan Circle have maintained their residential character with an older homogeneous building stock.

A door to door observation indicates the professional-commercial office use, either in a new or old building, and the older residential use area are successful; that is, they appear to have the lowest vacancy rate.

The new residential properties are either large multi-family dwellings near the river or townhouses east of the riverside high-rises. The townhouse complex which appears most appropriate as a market barometer for 2133 Arch St. is an 18-unit residential conversion, developed by Historic Landmarks for Living, at 2033 Arch St.

The professional offices on Arch St. are both Grade A and Grade B offices and both have a low vacancy rate. The grade A offices are located close to the tail end of the commercial buildings on JFK Blvd. and Market St. They are new constructions and have the highest local rent and a low vacancy rate. The least successful of these two buildings is located on the NW corner of 20th and Arch St. Its lower success is attributable to vacant ground floor retail space. (This thesis will later point out the weak demand for retail space at Grade A rates in this area.) The grade B offices are located directly across the street from 2133 Arch St. The grade B offices were converted from a light



upscaling in design or decoration. In consideration of the minimal amount of renovation work and the subsequent low vacancy rate at a competitive rate, this building appears to have been a very successful investment.

#### 4. 75 Year Survey of the Logan South Building Stock

In the preceding survey I broadly characterized my visual interpretation of the current real estate market in Logan South. This survey is further complemented with an inventory of property use for the years: 1984, 1939 and 1910 (Exhibit A-1). These years are representative of key periods of time in the 20th century history of Philadelphia and 2133 Arch St. 1984 marks the year of this survey and a new industry dominating Philadelphia; 1939 marks approximately one-half of 2133's current age and a time when the City's manufacturing based economy is about to make its last hurrah to meet the manufacturing demands of World War II; 1910 marks the first anniversary of 2133's inauguration into public service and a very strong manufacturing based economy for the City.

The following is an interpretation of the building survey I conducted for the three periods noted:



i. 1910  
Exhibit A-2

In 1910 the Logan South neighborhood was completely developed with 413 residential and 63 commercial structures; this seven to one ratio, however, does not accurately reflect the dominance manufacturing and commerce had on this district. The western boundaries and pockets to the north had half a city block engulfed with iron works, livery stables, bakeries or other commercial trades. Similarly, the 413 residential structures do not reflect a residential dominated streetscape to any greater degree than do today 390 residences. This misrepresentation is attributable to a number of very small factory houses located adjacent to or on factory grounds.

ii. 1939  
Exhibit A-3

The pending demise of manufacturing in Logan South (and in Philadelphia) is foreseen in the 1939 statistics: 272 residences - a decline of 141 - and 49 commercial properties - a decline of 14. Again, the numbers are poor indicators of what had transpired during the 30 year interim. The residential stock had significantly declined but this decline included all the factory rowhouse. The decrease in commercial concerns actually marked a consolidation of small commercial and residential properties, between 22nd, Arch, 23rd and Summer Sts., into a few large commercial properties; typically some of the smaller factories and livery yards yielded to large motor car businesses. No less significant in the 1939 survey is the first indication of vacant lots, 42, in fact. Unfortunately, existing records do not





indicate the number of adjoining vacant buildings, no doubt such information would give an even harsher interpretation of the neighborhoods decline.

iii. 1984

Exhibit A-4

The 1984 survey provides enthusiastic figures for the future of Logan South while masking the continuation of less positive trends. Residential housing had taken a significant rebound: the number of single family dwellings numbers 347 - an increase of 75 - and 43 former single family residences had been converted into apartment houses. There are approximately 600 multi-family and single family residential units in Logan South today. These 600 units are contained in 390 buildings which are as large or larger than the 413 residential structures of 1910. It is likely Logan South portrays a residential community to a greater degree in 1984 than it did in 1910. When one also notes the precipitous decline in commercial establishments, 49 to 14, the residential character seems even more dominating.

The apparently dominant residential character of Logan South is not altogether an accurate reflection of the streetscape. The 42 vacant lots in 1939 expanded to 67 lots plus the equivalent of 131 additional vacant lots on which stands abandoned or vacant commercial structures. A total of 198 lots are available for further development. Consider this number in another perspective: 198 lots would accommodate all the residences constructed in Logan South over the past five years, with two



lots to spare. The increase in new residences came at a cost of 81 demolished old residences, which was a decrease from the 141 demolished during the earlier interim. A portion of the current 67 vacant lots represents the 81 demolished residences and another portion is represented by commercial structures that were demolished rather than abandoned or left vacant. This profile of vacant lots and buildings blemished what initially appears to be a positive neighborhood profile.

Recent new construction was conducted on carefully chosen lots that are as close to the existing community as are available. The Logan South neighborhood has an abundance of land still available to develop but there exists a shortage of community atmosphere surrounding that land.

Earlier I noted the decline in commercial establishments from 49 to 14, this change is a poor barometer of what potential exists for future commercial development in Logan South. The local commercial enterprises of 1984 are all participants in the new service based economy the City has fostered. These businesses are more accurately identified as professional rather than commercial. These businesses are located predominately on Arch St. In converted or newly constructed buildings. The movement of these professional concerns, however much smaller they have been than the residential development, have clearly spread great enthusiasm and speculation among Logan South observers and investors. The total activity of professional office



construction or conversions has stood still for approximately two years in the area, however, each past development was large in magnitude, relative to the housing developments, both in cost and square footage. The next office development will likely be similar in magnitude to the past projects.

To verify the preceding consider the following and their impact: the Franklin Institute's Research Center on 20th and Cherry consumed 30 residential lots; the building at 20th and Arch St. consumed 10 residential lots; the Biosystems Building on 21st and Arch consumed 8 residential lots but is twice as tall as the other two buildings; and consider the yet to be developed 2133 Arch St. and the vacant warehouse diagonally across the street. The latter two buildings are prime candidates to carry on this westward migration of professional offices. The most assertive statement of this trend is the recent announcement by IBM to construct 2 million square feet of office space at 20th and Market Sts. This development would eclipse the combined construction of all recent Logan South projects.

It is apparent that the statistical data I accumulated portrays a decline in commerce while neglecting to point out that the area has reached a turning point: professional building use has the potential to skyrocket and eclipse the already rebounding residential developments.



#### iv. Summary

The preceding portrayal of the Logan South real estate market over the last 75 years closely paralleled the opening description of Philadelphia's history over the same period. There existed a strong commercial/manufacturing sector, supported by a large and immediate residential population, both of whom left the area simultaneously. They left a vacant and abandoned urban landscape to be developed by a new economy and a new generation.

The following chapter (D) will take a closer look at the existing stock of vacant lots and buildings. A block by block recommendation will be made regarding the mode and timing of their future development. This analysis will begin with the denser areas and proceed to the less dense areas. A description of 2133 Arch Sts.' future potential will close the chapter.

### 5. Projected Future Developments in Logan South

#### i. Presentation

The data I accumulated and collated was done in a manner to determine past and present real estate dynamics of the neighborhood. The objective of this data accumulation is to determine the rate of growth in residential and commercial construction and their geographic direction. This information is integral to the primary objective: determining when certain areas are most likely to experienced either residential or commercial development. Accurately anticipating the mode and





buildings can provide an urban pioneer with the foresight to invest in an area prior to its general development. This investigation is undertaken to determine the strongest trends in real estate development on Arch St., and specifically which form of development is best suited for 2133 Arch St.

Statistical data and on-sight observations indicate certain areas of Logan South appear to be well established with their building stock and are unlikely to experience any noted change or a significant period of time. The absence of vacant lots or buildings and the homogeneous building use(residential) on Spring, Vanpelt, Lambert, Woodstock, Appletree and Buttonwood Sts. ensures their streetscape continuity. The institutional, professional and religious entities along 20th St similarly ensures that streets's continuity. Summer St., with three vacant lots adjacent to three vacant commercial structures on 23rd St. is a likely candidate for new residential construction, perhaps similar to the adjacent new 12 unit development on 23rd St.

Twenty third St., statistically, has the greatest available area for development. When adjacent vacant Twenty Second St. properties are considered together with the vacant 23rd St. properties approximately one square block of vacant land is under consideration. This block, bounded by Race and Cherry Sts., would be most easily marketed if new construction were to encompass the entire block. The vacant properties along 23rd St. are aesthetically less attractive than the properties closer to the core of the neighborhood on 22nd St. The 23rd St. properties



would be more difficult to market if they were developed initially and separately from the 22nd St properties. The only existing new developments on 23rd St. were constructed on an established residential block bounded by Summer and Race Sts.

If market demand or other economic constraints preclude a single, block-wide development, then construction should begin with the less isolated 22nd St. properties. The vacant 22nd St. properties are adjacent to both new and old occupied residential structures, this is a positive factor for their marketability. The vacant 22nd St. properties also have new residential developments across the street, to the south and east, which lend themselves to creating a neighborhood atmosphere. The 23rd St. properties, on the other hand, are bounded on three sides with vacant lots and buildings and are too isolated to make a link with those developed properties to the east and south.

A small development along Race St. from 23rd St. to Closkey St. is a viable consideration. Such a development would complete Race St. and would give an appearance of an integral element to the street rather than urban pioneer's outpost. A 23rd and Race Sts. development is also attractive because it provides a closer location to the local institutions which serve as neighborhood anchors and magnets.

The remaining properties available for development lie on Arch St., including 2133 Arch St. The preceding properties that were discussed were specifically considered for residential use, this



limitation was chosen in view of the limited professional development in those areas. The professional development is spotty, at best, to the north while assertively concentrated to the south and especially along Arch St.

In an earlier chapter, discussing 1984 commercial development, the conclusion stated Logan South is a prime location for major commercial development. And, as noted, there are particularly strong indications that 2133 Arch St. will be the next professional office development when office construction starts up again. One must keep in mind that while observers are anticipating a break in the two year absence of office construction local residential construction has maintained its momentum. There currently exists strong market pressure to convert 2133 Arch St. into residential units. The decision to chose the correct building use for 2133 Arch is the objective of this thesis.

#### E. Review

After surveying the neighborhood, 2133 Arch St. appears to be a viable candidate for either commercial or residential use. This thesis, then, will explore the viability of developing this property for both commercial and residential use. A comprehensive analysis will be conducted for Grade B commercial use and rental residential. In consideration of the weak local and city-wide demand for the residential condominium it will not be presented as a viable alternative. The current owner of the property plans to develop it for Grade A use; his proposal will be included in this thesis and compared to my two alternatives.



## II. Site Description

### B. & C. Historical and Architectural

The historical and architectural significance of 2133 Arch St. are the integral factors that established this building as my thesis site. This building possesses physical qualities that deserve preservation considerations under any re-use plan. These qualities include: a precedent in interior design as the first American Juvenile Detention Center and a classical representation of the Georgian Revival. In addition to possessing significant design characteristics the building is a landmark to an urban social evolution: recognizing the adverse effects from incarcerating juvenile delinquents with adults. The construction of this building reflects the first municipal response to a growing sentiment that sought to shelter children from prematurely encountering the harshness of adult life.

These characteristics of the building have been professionally documented in two National Register nominations. (The building is not currently on the National Register.) The building was first comprehensively documented in a pamphlet published by the Philadelphia Board of County Commissioners commemorating the building's inauguration into public service, December 19, 1908.

The successful nomination of the building to the National Register will enable the owner to obtain investment tax credits for rehabilitating the building according to the standards established by the Secretary of the Interior.





## II. SITE DESCRIPTION

### D. Room Arrangement, Description, & Existing Conditions

2133 Arch St. was completely vacated in February, 1983 when the City of Philadelphia moved the Juvenile Corrections Division to more modern facilities. A recent tour of the building indicates certain rooms may not have been used for up to 20 years. The building's granite and brick exterior has experienced little wear, other than peeling paint on wood trim, from the weather or heavy use, nor has the exterior experienced any alterations, additions or desecrations. The building's interior has experienced a few minor room divisions but otherwise closely reflects the original room arrangement. The condition of the interior, however, is a marked contrast to the exterior: the paint has peeled off every ceiling and most walls; cracked plaster is common and there are rooms on every floor that have experienced extensive damage to the plaster from water coming from either open windows or leaking pipes. A number of individual rooms on the first and second floor were apparently randomly chosen for alterations which included suspended ceilings or recessed lighting. Extensive retrofitted plumbing hangs from the ceiling and wraps around the perimeter of each floor. There are four stairwells: two are formal with marble and decorative ironwork, they are located in the middle of the east and west walls; across the corridor from the formal stairwells and adjacent to the courtyard are two enclosed, smaller stairwells. All stairwells are intact and show little wear. Extensive fire damage occurred to the S.W. first floor corner room and extensive flooding has been experienced to



floor by floor conditions report presents the preceding survey in greater detail.

## 1. Basement

### a. General Description

The basement floor lies four feet below street level and the ceiling height is seven and a half feet. Basement rooms wrap around the courtyard perimeter and are separated by a corridor from another ring of basement rooms which wrap around the exterior perimeter. This room configuration traverses all floors. There are street level entrances to the basement on 22nd St. and at the rear of the building. The basement contains the utility and support services for the building, which appear to have been abandoned or neglected prior to the City's departure. The most attractive features for preservation consideration are the lighting fixtures - electric conversions from gas.

The following descriptions are conducted to establish room orientation and to highlight the features for preservation consideration:

### b. Corridor

The corridor wraps around the rooms facing the court and is entered by the four stairwells or the street entrances. There are no apparent details of significance. General conditions are dirty and dilapidated.



northern corners, adjacent to the stairwells. The granite partitions and wainscoting and ceramic tile floor is inferior to the marble finish found in the bathrooms on the upper floors. The rooms have been neglected for a number of years.

#### d. Detention Cells

The cells are clear statements of the building's former use but are not original. They face the court along its south wall and account for the remaining rooms encircling the court. A number of the windows along this wall will be enclosed under the proposed plans for development, limiting the uses for this area. I would prefer to leave the cells intact and try and use them as a marketing tool to attract potential tenants.

#### Exterior Ring

##### d. Mechanical Rooms

These rooms are located along the length of the north wall and are two steps below corridor level. Extensive flooding has occurred and it is unlikely the mechanical systems are salvageable.

##### e. Utility & Storage

Along the east and west exterior walls are located rooms which contain remnants of janitor's supplies and miscellaneous junk. The rooms lack any details of significance.



These rooms are located along the south exterior wall and are in good condition. A few laundry machines remain standing.

#### g. Fenestration

All windows have segmental arches and are barred.

### 2. First Floor

#### a. General Description

The first floor level is five feet above street level, the ceiling height is 12 feet. The first floor is raised to accommodate the semi-submerged basement. The interior ring of the first floor rooms closely mirrors the basement and upper floors: the bathrooms are stacked adjacent to the stairwells; the corridor runs along the north court wall while small office cubicles separate the corridor from the court along the east, west and south walls.

The composition of rooms uses includes: waiting room; courtroom; counseling cubicles and administrative offices. The corridors and bathrooms are finished with marble floors and wainscoting. Primary corridor archways are made of marble and secondary arches of oak as are most corridor doors. Plaster and paint decay is prevalent throughout the floor. Unsecured windows have allowed rain to damage plaster walls in offices along the north corridor.

#### Inner Ring

##### b. Bathrooms and Office Cubicles

The bathrooms differ from the basement only in the use of materials (marble rather than granite). The office cubicles have





These rooms lack any architectural details of note.

#### Outer Ring

##### c. Waiting Room and Magistrate's Office

The interior details of the Waiting Room(S.E. corner) and the Magistrate's office(S.W. corner) are both highly intact. The Magistrate's office has experienced fire damage but the plaster egg and dart and dentil cornice, marble wainscotting and other Georgian details have survived. The Waiting Room has no fire damage and contains the same details.

##### d. other offices

Surrounding the exterior perimeter of the building are administrative offices of various sizes (due to numerous subdivisions over the years). The upper floors' room arrangement closely mirrors these rooms in function though their actual dimensions may vary. These rooms lack significant features for preservation.

### 3. Second Floor

#### a. General Description

Cracked plaster and peeling paint is prevalent, a leaking pipe in the recreation room has ruined the local plaster.

#### Inner Ring

The inner ring of rooms surrounding the court consist of stairwells, bathrooms and office cubicles of the same dimensions and details as the first floor.



## Outer Ring

The outer ring of rooms surrounding the exterior perimeter consists of staff apartments, recreation rooms and counseling offices. Along the south wall, above the waiting room, entrance vestibule and magistrate's office, is a large recreation room with folding dividing walls. The most unique aspect of this room is its large size when the walls are folded open.

Immediately to the north of the recreation room, along the east and west corridors, are the former apartments of supervising staff members. The apartments are two room, one bath, units; the east unit has a bay window. The baths contain decorative raised relief wall tiles. The apartments are otherwise simple configurations lacking any exceptional details.

## 4. Third Floor

### General Description

#### Inner Ring

The inner ring of rooms surrounding the court mirrors the second floor. In the middle of the south side of the ring are stairs leading to the fourth floor Boys Play Room and the roof recreation area.

#### Outer Ring

Along the north wall, from the east to the west wall, is the kitchen, dishroom, and dining rooms for staff and residents.



It is unlikely these rooms have been used for their original function for at least 15 years.

Along the west wall are former medical examination rooms. Their function was discernible only by literature and forms lying on the floor and their proximity to cubicles along the inner ring. Along the east wall is another staff apartment and office.

#### 5. Fourth Floor

The Fourth floor is less than one-third the size of the lower floors and is divided into two sections inaccessible to one another. The south section contains six cubicles that were residential bedrooms. These cubicles appear to have been used solely for storage for the past 20 years. The plaster is intact and the paint is peeling.



### III. MIXED USE

#### A. DESIGN PLAN

##### 1). Exterior

The future use plan for 2133 Arch St. will not affect any changes to the original elements of its exterior facade. This facade will experience a professional cleaning and restoration of mortar, brick and stone. In addition, all woodwork, iron railings and hardware will be restored to its original condition and design. Particular attention will be given to facade maintenance for two purposes: aesthetics - to attract potential tenants - and to meet the requirements of a facade easement. The building will be nominated to the National Register of Historic Places to obtain the associated tax benefits.

##### 2) Interior

###### a. General Demolition

The building will experience select changes to its interior. Demolition will be limited to rooms which lack historic or architectural significance. Zones will be established for the historic preservation of rooms which had particular functions and which contain details that denote its significance. These zones will include: front half of the first floor; select rooms on the second and third floor and a portion of the fourth floor.

Under general demolition, consideration will be given to bearing walls by leaving support columns intact and straddling them with steel "I" beams. In addition, shoring will be introduced. Note should be given that this building was constructed during a period of less than exact understanding of structural





engineering, as a consequence, contractors and architects commonly overbuilt. The Bourse, with steel frame construction and with 40" thick first floor walls, is a contemporary example of excessive conservatism in engineering. One should also note that original drawings are available which will greatly diminish the chances for an architect to neglect structural limitations. In addition to office wall demolition, the north and south walls of the interior court will experience a limited demolition and will be replaced with a glass curtain wall with spandrel panels designating floor divisions. The vertical length of each floor's glass curtain wall will be similar in length to existing windows. The major demolition will be the area between each window. A centrally located support column will be left intact to provide additional shoring. Horizontal support bracing may be introduced behind the floor-dividing spandrel panels. A floor-to-floor glass curtain wall is not being installed because it won't attract enough tenants willing to pay the higher rent necessary to compensate for its costs. A glass curtain wall is a feature representative of Grade A office space and would look inappropriate in this Grade B building.

Demolition will also include the removal of two stairwells. There are currently four stairwells, two of which come close to meeting contemporary firecodes and which also provide a means of egress from each floor to the street. The two other stairwells are superfluous; the area they occupy could be rentable floor space if removed.



## b. General Construction

New construction to the building will include: glass curtain walls (mentioned earlier); a self-supporting hydraulic elevator system; an atrium roof; a roof deck; walls, ceiling and flooring; bathrooms and plumbing; HVAC; and re-wiring and lighting.

A second elevator will be introduced to the building to complement the existing service elevator. The new elevator will be located in the south east corner of the court. The elevator is located in the atrium as a self-supporting system in order to avoid the complications and risks of cutting through each floor. The glass elevator also complements the high-tech, Grade A environment we are trying to create. The elevator's self-supporting, steel skeleton will be anchored to the atrium floor and secured to the east and south walls. The mechanical system will be located on top of the elevator, above the fourth floor roof line. The skeleton will be wrapped with glass. The elevator cab will be a double entry system: entering the cab from the atrium through the west doors and exiting to a reception area through the east doors.

Since the atrium floor is four feet below the first floor, a set of steps designed to match the exterior entrance steps will be installed in the center of the south atrium wall along with entrance doors. The main corridor will lead visitors directly to the atrium and the elevator.

The atrium will be enclosed with a glass pyramid roof. A smoke evacuation system will be located along the perimeter of the atrium roof line and will be recessed. The atrium is enclosed to



provide rentable floor space to basement tenants, especially for a restaurant. In addition, the atrium will provide a pleasant view of greenery and people for the tenants above.

Above the atrium, on the roof, will be constructed a wood deck to provide a fresh-air amenity for either the exclusive use of the fourth floor teneant or all of the buildings occupants. The deck will include furniture and landscaping. Prior to the introduction of the roof deck, the building will receive a new roof.

Concurrent to the major construction and succeeding the interior demolition, new office spaces will be constructed and new mechanical, electrical plumbing and HVAC will be installed.



### III. MIXED USE

#### C. Individual Floor Design

##### 1). Basement

The mixed use plan for the building will demolish a similar number of walls as the commercial plan proposed, however less new construction will be introduced. Basement level commercial development will not be intensely emphasized. Medical office space will be marketed and atenant exercise room is planned with consideration for future alteration as a privately operated fitness club. Half of the remaining basement area is designated for tenant storage, mechanical systems and janitor's closet; the other half of the basement will be left as an undeveloped shell for a number of possible uses including: medical office, fitness club, or first floor commercial tenant expansion or new commercial ventures.

##### 2. First Floor

The first floor will experience the same degree of demolition as the commercial plan calls for and will receive similar new electrical, mechanical and plumbing.

The first floor most succinctly conveys the mixed use theme. The front half of the building, from the south wall of the courtyard to Arch St., will be divided into four professional office





spaces; the rear half will be divided into six residential apartments - four two-bedroom and two one-bedroom.

Two offices will be 650 square feet and two will be 800 square feet. The public will gain access to the offices from the main entrance on Arch St. but egress is available at two secondary residential entrances for emergency evacuation. The offices are targeted for occupancy by an insurance firm, a bank, a realtor and an accountant. The bank tenant is a particularly sought after tenant while the other tenants may be of other professional occupations. As in the commercial plan the entrance vestibule will house an automatic teller machine.

The residential apartments range in size between 550 and 650 square feet. Four of the six apartments are along the north wall and may be the most difficult to lease. The other two apartments are located to the east and west of the courtyard. Particular attention was given to arranging these apartments so that some original features of the building could be drawn upon to create a special amenity for an apartment. The courtyard, exterior windows, and private streetside entrances were some major original elements which were integral in arranging rooms.

The two central rear apartments have a north view of a brick wall at a distance of 12 feet, this makes renting these units rather difficult. This hurdle is overcome by turning the prospective tenants view inward - towards the courtyard. The courtyard will serve as an elevator lobby for the residents on the upper floors



and as an extension of the apartment for the ground floor tenants. The courtyard will be a lush atrium with plant life changing the atmosphere from brick to vegetation. In addition, there will be chairs, benches, tables and a fountain to create a park-like refuge. The adjoining property's brick wall to the north will become inconsequential in relation to the advantage of looking to the south and enjoying a sylvanian setting year-round. The two center, rear apartments are entered through a vestibule, set in the heart of the atrium along the north wall.

The two north corner apartments do not have a view across the atrium but they are bathed in either morning or afternoon sunlight. The remaining two apartments enjoy both direct sunlight and a view and access to the atrium. All residents may enter the atrium either through the main corridor off of Arch St. or through one of the two secondary entrances on either 22nd or Buttonwood Sts.

The disincentives of ground floor occupancy are further abated by the raised first floor, which is approximately five feet above street level, thus window ledges are out of sight and reach.

### 3. Second and Third Floor

The second and third floor are exclusively for residential use with 11 apartments per floor. There will be no more than four two-bedroom units and possibly none at all. In an interview with



Ann Bailey, a residential realtor at Jackson-Cross, I was advised to avoid two bedroom apartments unless they were large - over 1000 square feet - and had two bathrooms. I don't believe this building can maximize its revenue potential by sacrificing rentable floor space with extra bathrooms. Four two-bedroom apartments with two bathrooms, rather than one bathroom, would consume the space of one one-bedroom units. Approximately \$600 in rent revenue would be lost which the more luxurious two-bedroom apartments could not compensate. There will be three studio apartments located along the middle of the south wall.

The second floor rear apartments are still burdened with a brick wall to the north but it does not extend above the third floor windows. The rear apartments were again given extra consideration. They are larger than most of the other apartments - though no larger than their counterparts on the first floor - and they are two bedroom units. These apartments also receive more natural sunlight through the atrium due to their closer proximity to the open sky.

The third floor apartments will likely lease out first and should demand a higher rent per unit than the other units. The street below has become inconsequential while views of the city beyond have become an attraction. Only two apartments on the third and second floors look over the atrium. This arrangement provides a far greater level of privacy than if other apartments were located across the atrium.



The third floor apartments will likely lease out first and should demand a higher rent per unit than the other units. The street below has become inconsequential while views of the city beyond have become an attraction. Only two apartments on the third and second floors look over the atrium. This arrangement provides a far greater level of privacy than if other apartments were located across the atrium.

#### 4. Fourth Floor

The fourth floor consist of six, 325 square foot studio apartments. The fourth floor is approximately one-third the size of the lower floors. Maximum revenue potential, per square foot, is expected from these studio apartments because of their exclusiveness. One unit, in the north-west corner will have a private roof deck. The caged outdoor recreation area for the former residents will be remodeled to provide roof deck amenities for all the residential tenants. The roof deck is an amenity that complements the theme the building is stressing - an escape from the traditional form of urban living and a return to enjoying the natural provisions of life: sunlight, fresh air, and exercise in a peaceful atmosphere.

#### d. Concluding Remarks

2133 Arch ST. was acquired for mixed use development for the same reasons it was chosen for commercial development - it had the



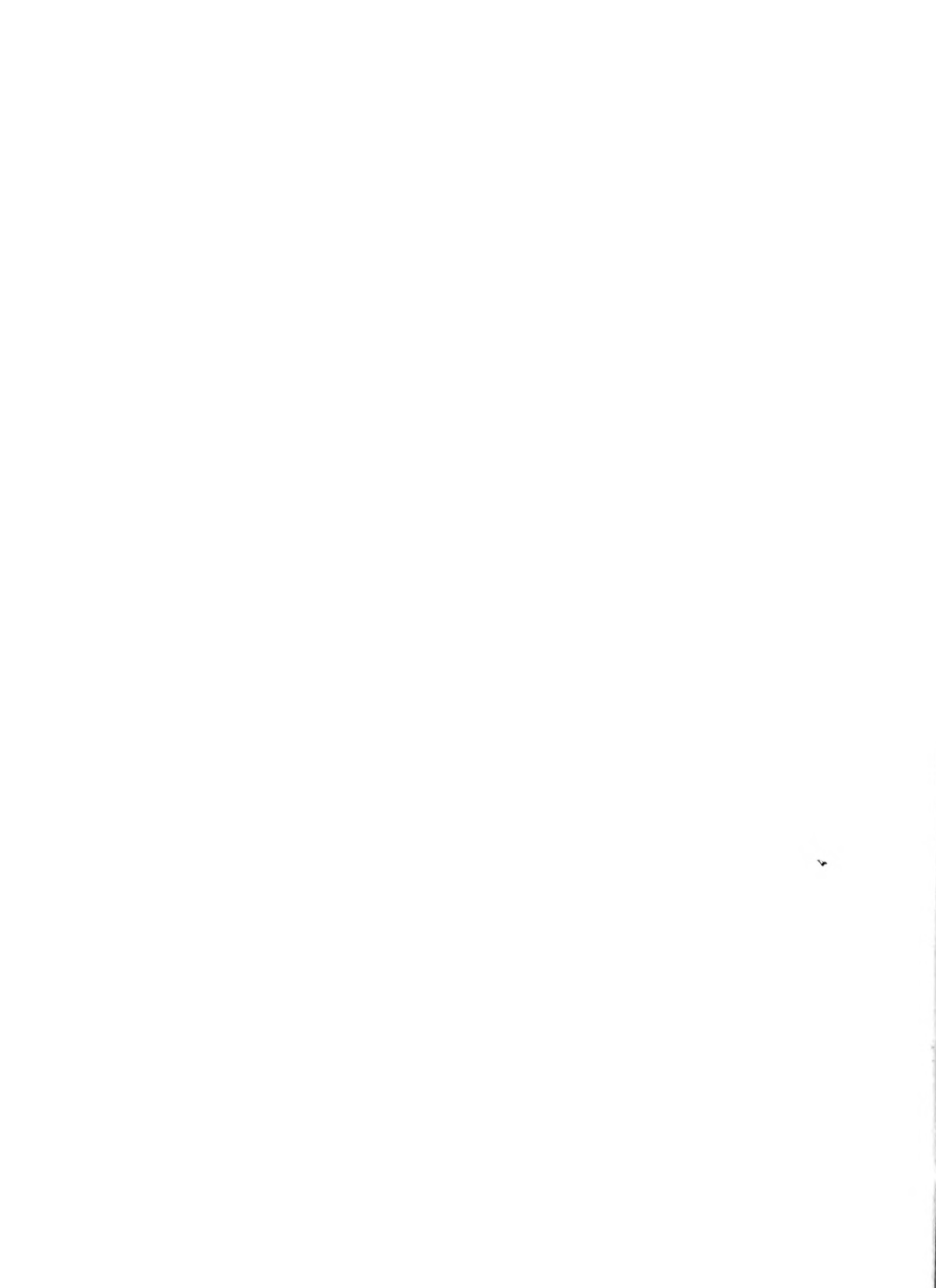


#### 4. Fourth Floor

The fourth floor consist of six, 325 square foot studio apartments. The fourth floor is approximately one-third the size of the lower floors. Maximum revenue potential, per square foot, is expected from these studio apartments because of their exclusiveness. One unit, in the north-west corner will have a private roof deck. The caged outdoor recreation area for the former residents will be remodeled to provide roof deck amenities for all the residential tenants. The roof deck is an amenity that complements the theme the building is stressing - an escape from the traditional form of urban living and a return to enjoying the natural provisions of life: sunlight, fresh air, and exercise in a peaceful atmosphere.

#### d. Concluding Remarks

2133 Arch ST. was acquired for mixed use development for the same reasons it was chosen for commercial development - it had the necessary ingredients for success: good location, market demand and adaptability. Though this is a small development, 34 residential and 6 commercial units, it requires uncomplicated construction and is marketed to an easily identifiable market segment. The building is a small but very sound and manageable project. Approximateley 22% of the building will be secured with 5-year leases and the remainder of the building is marketed to the increasingly secure young professional market segment. As



noted in the city-wide and local market surveys the two most dominant factors in the Philadelphia community are the expanding service industry and those who manage it - the young professionals. 2133 Arch St will provide the work and living space that each of these factors demand and in an atmosphere that distinguishes their achievement.



### III. Development Plan - Mixed Use

#### B. Financial Information

##### 2. Financial Highlights

- i. Risks
- ii. Notes & Assumptions

To present a comprehensive analysis of an actual preservation development plan this thesis has established a mock corporation. The object of establishing a corporation is to understand how it serves as a conduit between the government and the investors and between the tenants and the investors. This conduit will channel the tax benefits from the government and the revenues from the tenants to the investors.

The following "Risks" and "Notes and Assumptions" are presented in the form of a contemporary corporate real estate development prospectus. The significant variables stated in the Mixed Use financial summary are herein explained.

There are three development plans presented in this thesis: 1). Mixed Use; 2). Commercial Class B and 3). Commercial Class A. The latter two development plans will only have "Notes and Assumptions" amendments preceeding their financial summaries.



### III. MIXED USE

#### FINANCIAL INFORMATION

##### Commercial Development

###### Introduction

2133 Arch St. is owned by a partnership of John E. Doyle, as general partner, and a syndication of limited partners. This association will be known as the "Partnership". The Partnership will acquire the existing building and land located at 2133 Arch Street in Philadelphia, Pennsylvania from the Harold B. Hess Realtors. The cost of land and improvements thereon will be \$500,000. Also, at closing, the Partnership will complete the renovation of the existing building to office use at a cost of \$1,269,000. Construction is to be completed prior to January 1, 1985. Construction is financed by a Construction Loan from Continental Bank of Philadelphia in the amount of \$1,520,000. The Partnership will then obtain permanent financing from the same institution in the form of a construction "take out" mortgage. Continental Bank will also provide a temporary Bridge Loan in the amount of \$600,00 which is secured by the investor notes (of the limited partners).





The purchase of the Units involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity of investment.

1. Possible Insufficiency of Cash Flow to Pay Mortgages and Other Partnership Obligations. There is not assurance that the operation of the Property will produce net income. In this case, the Partnership could have insufficient cash flow to pay the expenses, including debt service, resulting in possible foreclosure. The General Partner has no obligation to provide funds to the Partnership, even if its failure to do so will result in foreclosure and adverse tax and other consequences to Limited Partners..

2. Balloon payment Under Mortgage. Although the principal amount of the mortgage note will be amortized on a 30 year schedule, on the eighth anniversary of the purchase of the Property, its entire principal balance will become due in a "balloon" payment. Absent sale or refinancing, it is unlikely that the Partnership will fund this obligation. The obligation to make this payment may adversely affect the Partnership's ability to dispose of the property on satisfactory terms.

3. General Risks of Real Estate Ownership-Non-Diversification. Uncertainty of cash flow, adverse changes in local market conditions, population trends, neighborhood values, tax rates, fiscal policies, uninsured losses beyond General Partner



control, economic conditions, and unemployment rates -- because the Partnership has only one property, it is relatively more vulnerable to these conditions than a diversified business.

4. Federal Income Tax Considerations.

a) "At Risk" Limitation. Limited Partners are not permitted to deduct losses in excess of the amount they have "at risk" in the Partnership. Currently, each Limited Partner's amount is regarded as the at risk sum for the entire property rather than a pro rata share, which includes the entire mortgage amount. To the extent that the IRS modifies this amount, adverse tax consequences will result.

b) Section 183. This provision disallows certain deductions for activities not engaged for profit. Profit motive is presumed in cases where gross receipts exceed deductions for two of five years prior to the taxable year. Although the Partnership will incur losses for the first years of operation, Section 183 currently provides an exemption or appreciation of property value.

c) Classification of the Partnership as a Corporation and Taxable As Such. There can be no assurance that the IRS will not classify the Partnership as a corporation although the Partnership satisfies all conditions for partnership tax status.



d) Possible Disallowance of Deductions. There is no assurance that the all deductions claimed by the Partnership and allocated among the Limited Partners will be permitted by the IRS. If the allocation does not have substantial economic effect, each partner's share of income, gain, loss, deduction or credit, the IRS will not permit them as tax benefits.

e) Fee Amortization. The Partnership's deduction of various fees may be determined as excessive, not part of ordinary and necessary expenses, or requiring longer amortization periods.

f) Sale or Disposition. The IRS may contend upon audit that all or part of property was held by the Partnership at the time of sale primarily for sale to customers in the normal course of the Partnership's business. If such a contention is successful, the gain on disposition would be treated as ordinary income. This determination is a factual one based, among other things, on the nature and purpose of initial acquisition, duration of ownership, frequency of sales, etc.

5. Counsel retained by the Partnership has advised that any litigation on these issues would most likely be favorable to the Partnership, although no guarantee as to the result is possible given the complexity of and lack of clear authority regarding these tax matters.



6. No Obligation of General Partner to Provide Funds. The General Partner has no obligation to provide funds to the Partnership even if this will result in foreclosure of the property.

7. Factors Affecting Projected Financial Statements and Future Operations. The projected financial statements of the Partnership are based on many assumptions. The Partnership has no control over these, including but not limited to: the continuation of certain provisions of current federal, state and local tax laws; positions taken by the Partnership for federal tax purposes; occupancy rates; changes in economic conditions and increases in operating expenses.

8. Newly Organized Partnership. The Partnership is newly organized and has no operating history.

9. Illiquidity. A Limited Partner would be unable to liquidate their investment without adverse tax consequences. The units, furthermore, would not be readily acceptable as collateral for loans.

10. Non-Participation. The management of the affairs of the Partnership is vested exclusively in the General Partner. Any Limited Partner, to preserve the status of the Partnership, cannot make decisions which may materially affect the value of their investment.





11. Historical Registry Petition Fails. The Partnership has filed a petition to place the property on the Historical Registry, which will result in significant tax benefits to the Partnership. Although all studies indicate that the property will be approved, a failure to do so will result in adverse consequences.

12. Rejection of Facade Easement. The Partnership filed for a charitable contribution in the form of a facade easement against the property. The General Partner has determined that this provision is in the best interests of the Partnership although it may affect subsequent resale value. If rejected, the Partnership will lose this deduction, with resultant adverse tax effects.



2133 Arch Associates

(A Pennsylvania Limited Partnership)

NOTES AND ASSUMPTIONS TO THE PROJECTIONS  
(Mixed Use Development)

A. Description of the Partnership

A total of 30 Limited Partnership interests are being offered at \$24,00 each. For purposes of the projections, it is assumed that Closing will occur July 1, 1984 and that all 30 interest will be sold by that date. The Property will be placed in service January 1, 1985.

1. Rent Base -- rentals for the completed building assumed 26,00 square feet of rentable area: 20,000 s.f., Residential @ \$12.60; 6,000 s.f. Commercial @ 12.00. These figures were obtained from interviews with commercial and residential real estate brokers at Jackson Cross and after personal consideration of comparable rental rates for similar office buildings in the area.

2. Total Expenses -- expenses amount to approximately 3.50 per square foot with residential tenants paying their utilities.

3. Mortgage Rates -- Mortgage rates were determined in consultation with Neal McGlinn of Continental Bank.



4. Guarantee Fees -- fees charged according to consultation with representatives of Continental Bank.
5. Capitalization Rates -- a standard rate of 9% of nets operating income for sale is used by Butcher & Singer. These projections will assume additional spreads for purposes of comparison.
6. Management Agreement Fee -- a 4% rate is determined in consultation with representatives of Rodin Management, Inc.
7. Depreciation -- depreciation will be on a straight-line basis with a 15 year life given the requirement, to obtain an Investment Tax Credit, that ACRS cannot be used.
8. Investor Relations Fee -- will be paid to the GP for expenses incurred in the offering of the Partnership.
9. Cost of the Property -- determined by the recent selling price paid by Dr. Evans, the current owner.
10. Improvements - Total improvements are itemized in a subsequent section
11. Depreciable Base -- itemized in a subsequent section
12. Sales Commission -- includes \$43,000 Broker's fee on sale of the building plus \$70,000 fees to the Placement Agent of the



Offering.

13. General Partner Payments -- this amount includes costs of advice and services made in connection with the offering.

14. ITC Amount -- represents 25% of the value of improvements on the building, assuming historic certification.

15. Facade Easement -- represents 9% of total building value at cost as a charitable contribution to PHPC. Donation made in second year and carried forward five years.

16. Bridge Loan -- will be obtained from Continental Bank to fund operating deficits.

17. Limited Partner Capital Account -- maintains amount owed to LP upon sale or refinancing; equal to original equity plus 10% non-cumulative annual return which, for the Mixed Use plan, has zero accumulation.

18. Expenses -- Due to tenant obligation to pay utilities expenses will be approximately \$2 less per s.f. than the commercial cost break down.

19. Amortization of Expenses -- Same as Commercial Plan

20. ITC Value -- is dollar for dollar reduction in tax





liability assuming 50% rate. ITC value is carried forward five years, starting in year one. The tax benefits of the facade easement and the ITC are carried forward to avoid a tax writeoff in excess of 2.5:1. A high writeoff ratio will attract an IRS audit, which must be avoided in consideration of defense costs, not illegalities.

**. The Partnership Agreement Provides the Following Allocations:**

**1. Cash Flow Per Year**

Limited Partners	99%
General Partner	1%

**2. Taxable Income (Losses)**

Limited Partners	99%
General Partner	1%

**3. Distribution of Proceeds in Year 5 (Sale or Refinancing)**

Limited Partners	75%
General Partners	25%

**C. Financing**

**1. Construction Loan**

The Partnership will obtain a Construction Loan from Continental Bank in the amount of \$1,996,500. Interest on the Construction Loan is payable monthly at a fixed rate of 15%. The Partnership



will pay \$30,000 as a Guarantee Fee for the Construction Loan. The Loan is non-recourse. The Construction Loan will extend over a four month period.

## 2. Permanent Loan

Upon completion of improvements, the Construction Loan will be repaid with the proceeds from a Permanent Loan from Continental which will "take out" the Construction Loan. The Permanent Loan will bear a 15% interest rate, payable monthly and interest only. A "balloon" payment is due in seven years with two one-year options to renew. The Partnership will pay \$40,000 as a guarantee fee. The Permanent Loan is non-recourse.

## 3. Bridge Loan

The Partnership will obtain from Continental Bank a temporary loan in the sum of \$850,000 to fund operating deficits. The Loan bears interest at 12%.

## D. Depreciation

The following costs have been included in the depreciable basis of the Project:

Existing Building (Land \$100,000)	\$ 600,000
improvements	1,945,000
Less ITC Adjustments	<u>(243,125)</u>
Building Depreciable Basis	2,301,875
Real Estate Broker Fee	10,000
Payments to General Partner	25,000
Professional Fees	<u>5,000</u>



### III. MIXED USE

#### C. PROPOSED TENANTS

The commercial plan and mixed use plan each have different marketing strategies, development costs and revenue potential. Under the commercial plan the entire building is constructed and marketed for a specific market segment. This orientation allows for homogeneous construction materials and plans in addition to a homogeneous marketing strategy. A mixed use plan, on the other hand, requires two distinct construction programs and marketing strategies in pursuit of two market segments. The mixed use plan is a more complex plan which requires a more comprehensive analysis of construction and marketing.

#### Commercial Segment Marketing Plan

##### a. Basement

The premium first floor offices will likely lease out more rapidly than the less exclusive basement offices. The basement offices, then, will incur higher marketing costs, have a higher initial vacancy rate and yield a lower income. It is financially more attractive to limit marketing and development of the basement to a small market segment which is most likely to lease, specifically the medical profession.

The veterinary and medical doctor do not require a store front or a street level access. They require a reputable location in an atmosphere that complements their professional services. Such a tenant does not require additional mechanical services as a



restauranteur does, thus construction costs can be minimized. The medical profession is less likely to break a five-year lease and is more likely to continue re-leasing than most alternative tenants; the potential for expansion is also viable.

The tenant exercise room is initially established to attract the increasingly health conscious professional as a tenant. A portion of the development costs of this area, including equipment, will be recognized in the marketing budget. It is most preferred to immediately lease this space, as an exercise club, to a private enterprise. Marketing this space to prospective fitness club entrepreneurs is much easier when it is functioning as an established fitness center than when it is an unfinished shell. The security of long term leasing is not as secure with a fitness club as with the medical profession but it does have the potential to expand. Perhaps the most important aspects of such a tenant are the minimal construction costs and the easily identifiable prospective investors.

The remaining vacant basement area is left undeveloped to maximize flexibility for prospective tenants. This space will not be aggressively marketed by the owners because the limited market appeal requires an extensive marketing campaign to lease out. The strategy of minimizing development of the basement is due to unsuccessful Philadelphia precedents in similar pursuits. Specifically, the high vacancy rate for the Bourse's stylish commercial basement space is a strong indication of the high





## 2. First Floor

The first floor professional tenants will locate at 2133 Arch St. to attract business from the young professionals in the Logan South neighborhood. The most sought after tenant is a bank to open a full service branch in one of the center offices. The nearest bank is located at 23rd and Market Sts., though this appears close enough to attract the Logan South clientele the equivalent of the Great Wall of China (JFK Blvd. & the commuter rail line) separates that bank from Logan South.

The three other offices will be occupied by professionals representing support services: accounting, law, real estate and insurance. These businesses will be retail oriented, offering their services to individuals in Logan South.

The development of an urban residential neighborhood is similar to the development of a small town. The primary needs are immediately provided for and as the community grows certain members will prefer to patron local services for their convenience rather than to travel to where competition maintains a lower price level. Logan South is a growing community that in addition to obtaining professional services will inevitably find a large grocery store and later a full service gas station located among its many other "natural" neighborhood businesses.



### 3. First - Fourth Floor

The prospective residential tenants are young professionals seeking attractive interim housing until they are able to purchase their own home - possibly in Logan South. The rent will be less than half the monthly mortgage payment for a townhouse across the street but will be as high or higher than the rent at Trinity Row, 2033 Arch St., and higher than the Warminster, at 2300 Arch St.

Two bedroom apartments are marketed to both couples who desire a second room as a study or occasional guest room and to individuals who desire but can not singularly afford the accommodations 2133 Arch St. provides.

The one bedroom apartment is marketed to the professional who is willing to spend a greater portion of his disposable income on housing.

The studio apartment is marketed to the romantic, to the person willing to forego space for the intangible benefits of a view, unobstructed sunlight and the outdoors. This person will likely stay here one year and then find the calling to return to the Adirondacks too strong to ignore any longer.



## V. COMMERCIAL CLASS B

### A. DESIGN PLAN

1. Exterior (Same as Mixed Use Plan)
2. Interior
  - i. General Demolition (Same as Mixed Use Plan)
  - ii. General Construction (Same as Mixed Use Plan)
  - iii. Individual Floor Design

#### iii. Individual Floor Design

##### 1). Basement

The basement level will probably experience the greatest change. Special construction will be necessary for the restaurant area so that a restaurateur could move in and establish a business promptly. New construction would not include kitchen equipment but would include all the requirements for health and firecodes, i.e., ventilation and sprinkling.

The basement will also contain a men's and women's locker room which, among other considerations, requires extensive plumbing.

A planned third tenant is a medical professional who will require amenities for patient care. Though the tenant will design and construct his own interior, there must first exist adequate plumbing and electrical for individual examining rooms.

##### 2). First Floor

Extensive preservation will be applied to the first floor's architectural details and room arrangement. The first floor



contains two rooms and an entrance corridor that are extensively decorated with Georgian details. A central staircase, formerly located at the end of the entrance corridor, will be reconstructed to complete the first floor's historic zone.

The importance of preserving these spaces on the first floor extends beyond their architectural details and includes the historical importance the building represents among juvenile penal institutions. As the first juvenile detention center it was the prototype for other municipalities. Within this historic structure the first floor contains the most significant rooms in the entire building and were the rooms most frequented by the public.

The importance of establishing historic zones is integral to obtaining tax certification for rehabilitating the building. The demolition to the building's less significant areas could adversely affect the building's eligibility for tax benefits, however, the special treatment historic zones receive can negate the objections and repercussions of necessary demolition.

Necessary demolition on the first floor includes offices to the west, south and east of the court and removal of existing plumbing, heating and lighting. Each floor will be heated and cooled by individual heat pumps. Electricity will be also individually monitored.





The first floor is being planned for three tenants. The offices will be 3,200, 1,300 and 1,800 square feet, respectively. Each office will have its own lavatories. All three offices will be accessible from both the main entrance on Arch Street and a secondary entrance on 22nd Street. The largest office will occupy the eastern half of the building. The 1,300 square foot office will be located in the northwest corner and along the northern atrium wall. The largest office is being targeted for bank occupancy. A vestibule at the entrance of the building is planned to house an automatic teller machine while providing limited access to the building.

### 3. Second Floor

The second floor does not contain Georgian details as does the first floor and the existing room arrangement does not reflect the former use of the building. There are two rooms which should receive some consideration for preservation: the Superintendent's and Matron's apartments. These rooms lack unique or attractive details but they are intact and reflect their original function.

The second floor is being targeted for a single tenant. Two pairs of lavatories will be provided. They will be adjacent to the stairwells to maintain compactness and provide maximum flexibility of room arrangement. The second floor, as well as the third and fourth, will be serviced by two elevators. There will be approximately 6,500 square feet of usable office space.



#### 4. Third Floor

The third floor's most unique rooms are the kitchen and dining room, neither of which possess significant details or historical importance. Their demolition should not be an issue for debate. There is a Matron's apartment on the third floor but its preservation is not essential if the second floor apartment is preserved.

The third floor is also being targeted for a single tenant who would subdivide the floor into individual offices for subletting to single-person businesses. The floor plan I have suggested would provide a large reception area for a receptionist and two secretaries who would service all the individual tenants. The office arrangement would provide offices in sizes ranging from 200 to 2000 square feet. A conference room would be available for each tenant's use as would copiers and an answering service. The new construction lends it self to quick expansion and contraction to meet the tenants exact needs. This flexibility is a particular benefit to the company overseeing the subletting; it minimizes their vacancy by providing the space demanded.

#### 5. Fourth Floor

The fourth floor contains five cubicles that originally served as bedrooms, but have long since been used for storage, a bathroom and a former play room. These rooms lack any qualities which warrant their preservation and should yield to contemporary designs for new tenants.

The fourth floor provides close to 2,000 square feet of open



office space with private lavatories, two elevators and the opportunity to expand the work space for client or employee relations to an enclosed open-air terrace. The 1,200 square foot terrace is part of the original construction of the building. It is designed to provide a view of the city while providing security for any special furnishing a tenant would like to enjoy al fresco. The fourth floor tenant has the option to enjoy the exclusive use of the adjacent roof deck and its green park atmosphere.

The work space is extensively illuminated with natural lighting and is uninterrupted with columns or walls.

#### D. Concluding Remarks

2133 Arch Street was acquired because of its location, market demand and adaptability. No less important is its attractiveness as a historic building. The integration of these features requires particular attention to detail for the building's successful preservation and development.



V. Development Plan - Commercial - Grade B

B. FINANCIAL INFORMATION

Introduction

The notes and assumptions for the Grade B are the same as the Mixed Use Plan except as noted in the following:

The Partnership will complete the renovation of the existing building to office use at a cost of \$1,269,000. Construction is to be completed prior to October 31, 1984.

Construction is financed by a Construction Loan from Continental Bank of Philadelphia in the amount of \$1,720,000. Continental Bank will also provide a temporary Bridge Loan in the amount of \$800,000.

Rent Base for the completed building is \$12 for 26,000 s.f.

Depreciation

The following costs have been included in the depreciable basis of the Project:

Existing Building (Land \$100,000)	\$ 600,000
Improvements	1,269,000
Less ITC Adjustments	<u>(317,250)</u>
Building Depreciable Basis	1,551,750
Real Estate Broker Fee	8,250
Payments to General Partner	25,000
Professional Fees	<u>5,000</u>
Depreciable Basis	\$ 1,590,000





## VI. PROPOSED PLAN BY PRESENT OWNER

### Commercial Class A

#### A. Review of Design Plan

##### 1. Introduction

The current owner of 2133 Arch St., Dr. Richard Evans, plans to convert the building into grade A professional offices. This plan calls for complete demolition and removal of the interior in addition to alterations of the exterior. These changes are made to attract tenants willing to pay grade A rents. This level of alteration precludes the owner from obtaining the tax benefits available for those projects which meet the Secretary of the Interior's Standards for Rehabilitation. The owner believes the high-tech appearance of the building will sufficient revenue to compensate for the foregone tax benefits.

#### B. Exterior Plan

SEE PHC REPORT SUBMITTED BY MCCANN  
(at end of Chapter VI., A)

#### C. Interior Plan

##### i. Basement & Courtyard

The courtyard level is approximately five feet above the basement level, it will be excavated to coincide with the basement level. This plan will provide a floor to ceiling view from within the basement out to the courtyard. The lowered courtyard is a also logistical necessity to accommodate a courtyard elevator designed to provide service to all floors.



The new elevator will be located in the middle of the south courtyard wall and will have two stairwells wrapping around it and descending to the atrium(courtyard) floor. The glass enclosed elevator shaft will complement the surrounding atrium wall which will have had their brick facade replaced with a glass curtain wall similar to the Bourse plan. The courtyard is called an atrium for more than marketing purposes, a glass roof will transform the courtyard into an atrium(See Exhibit VII-1).

The basement will experience wholesale demolition that is representative of what the upper floors will experience. And, as with the upper floors, there are no plans for room divisions until tenants are signed up. The inherent difficulty of marketing basement space is hoped to be overcome by replacing the courtyard brick wall with a glass wall. The basement, otherwise, does not have any particularly unique attractions, in fact, the only other amenity of the basement - windows - is being enclosed with stone. According to the architect, the owner believes that basement tenants do not want to be reminded that they are in the basement by watching feet walk past their window. The windows, therefore, will be filled in.(See Exhibit VII-2).

#### ii. First Floor

The first floor contains the building's most significant architectural details, including: egg and dart molding in the south-east waiting room and the south-west magistrate's room; marble wainscoting throughout the corridors, bathrooms and waiting room; marble arches separating corridors; a marble floor



and; red oak doors, trim, and arches throughout the first floor. Few of these details will be restored or left intact. Two of four stairwells will be removed, the two stairwells closest to the exterior walls will be brought up to current fire code standards. A portion of the south wall of the atrium will be removed to provide first floor access to the elevator and to the atrium.

#### iii. Second & Third Floors

The second and third floors do not contain as much significant detailing as the first floor; the room arrangement is the most significant feature of these floors and it will be completely eliminated to accommodate the space demands of new tenants. The current owner has leased each of these floors to single tenants. (See Exhibit VII-3,4)

#### iv. Fourth Floor

The fourth floor will experience the most dramatic change to the entire building. The existing fourth floor is approximately 2000 square feet, is one-third the size of the lower floors, is set back 16 feet from the front facade and is located between the east atrium wall and the east facade wall. The current owner plans to expand the fourth floor to the same size as the lower floors. The architects have designed a limited version of this plan by maintaining the 16 foot set back so that the addition would be less obtrusive from a street level view. The



set back area would be developed into a roof garden. The owner is concerned about the foregone income resulting from this limited plan. This conflict between owner and architect about the costs of aesthetics has arisen in many areas and I believe the owner is neglecting the value the public places on classic aesthetics in the work place.

The owner's confidence that the building can support this additional construction is based on his personal observations: he has found that a concrete slab divides the third floor ceiling from the roof and he believes that this slab and the support columns, which extend from the basement to the slab are adequate support for the addition. The architect's east elevation drawing, which mirrors the west elevation, presents this plan very attractively(See Exhibit VIII-7).





## VI. PROPOSED PLAN BY PRESENT OWNER

### B. A REVIEW OF THE OWNER'S 1984 INVESTMENT PLAN

I have had two interviews with Dr. Richard Evans, the owner, in an effort to understand the assumptions he has incorporated into his development plan. My questions sought the basis for the qualitative and quantitative aspects of Evans decision making. It should be noted, at this point, that the interviews provided little indication that the owner employed any quantitative methods in determining the feasibility of the project. The owner continuously stressed the role of intuition when he was asked what his quantitative analysis entailed. Similar ephemeral answers were given to explain his qualitative assumptions.

Initially my questions to Evans sought the basis for the qualitative aspects of his decisions to invest in this part of the city - and in this building:

Evans had been looking at other investment properties in the Philadelphia area for over a year but hadn't acted on any of them. The building at 2133 Arch St. became a consideration because Evans "took a wrong turn on the way home and happened to drive by the building and saw a "For Sale" sign on it". And, according to Evans, he purchased the building shortly thereafter - on "gut instinct".

Once Evans owned the building his plans for its development were similarly directed by "gut instinct", including the construction of an expanded fourth floor, a glass curtain wall around the



lowered courtyard floor and a significantly altered exterior. The fourth floor expansion was financially justified, "for the first time" during an interview as a result of this interviewer's request for the following relevant data:

Estimated Cost to finish fourth floor shell:	\$360,000	
Debt Service @ 11%		\$39,600
Estimated Revenue		
6000 s.f. x (15(rent) - 3(maintenance)) =	72,000	
Debt Service	(39,600)	
Excess over Debt	<u>32,400</u>	<u>32,400</u>

The decision to introduce the other contemporary designs and materials are part of an overall objective to establish Grade A office space and rents.

The owner could have determined the rent level that the absence of these amenities would yield, however the owner "has a dream" about this building and himself. In this dream the owner and the building reflect the quality of one another. Consequently nothing less than Grade A could be considered.

The preceeding was explained to me by the owner and continued for many more paragraphs than what I feel is necessary to repeat to convey his message. In fact, both interviews produced answers similar to the preceeding. In spite of the less than concrete answers I was receiving I continued with my questions.

An integral question for me asked, "Why was a commercial plan pursued rather than a residential plan?" The owner replied that



residential use was never considered because the building only represented commercial use to him. Separately, the architect, Michael McCann of Hans Stein Associates, Inc., explained that meetings with the local Logan South neighborhood organization prompted strong opposition to a residential plan because of the impact such a plan would have on already scarce parking availability. There was strong indication that the presentation of a residential plan to the Zoning Appeal Board would be opposed by neighborhood representatives - in spite of five year commitments from local parking lot owners to supply the building's parking needs.

The contradictions between the owners answer and the architects answer applied also to the construction time estimate: owner, occupancy by March 21st; architect, a year long project.

After the construction objectives were explained I was interested to know to whom this high-tech office space was marketed and which buildings the owner perceived as his competition and his peers:

The immediate commercial market the owner is appealing to are the tenants of the Cigna building and the tenants of the yet to be constructed building at 20th and Arch. Market St. is not considered as a source for the tenant base. The owner perceives the Market St. clientel as a different market altogether. I attribute this response to his recognition that JFK Blvd. and the commuter rail line



severs Arch St. from (from 20th St. to the Schuylkill River) a Market St. tenant base.

As these two interviews progressed I became increasingly interested in the financial incentives the owner was expecting. One of the primary objectives of this thesis is to determine whether the design restrictions of a 25% ITC plan have an adverse effect on a buildings marketability and income potential. This objective will be pursued by comparing the benefits of my 25% ITC plan with Evans' unrestrictive 20% ITC plan.

I asked the owner if he had conducted a comparative cost-benefit analysis of these alternatives. His response largely entailed an explanation of the differences between his preservation philosophy and that of preservation organizations. Evans, I believe, intuitively knows the 25% plan may be superior on financial grounds but he also realizes the restrictions of that plan conflict with his belief of what should be preserved.

2133 Arch St. is becoming less a fringe property and more an element of the City's commercial office development. The change in this properties relative location has a dramatic effect on five year projections of the buildings valuation and revenue potential. I asked the owner whether he had any plans to capitalize on these anticipated changes, i.e., lease restrictions or options, refinancing, further expansion or even demolition:

Evan's immediate response suggested the smartest thing for him to do is leave the building vacant for four years and





absorb the zero cash flow.

This answer was a "gut response" similar to those I've mentioned earlier but this answer may also have some merit to it, though Evans, again, didn't justify his answer with data. The heart of this consideration asks, " Will the higher rent level or increased market value in 1988 compensate for the foregone revenue over the next four years?"

The building cost Evans approximately \$700,000 including closing costs. A reasonable net market rate of return is 11%. A four year investment of \$700,000 should yield \$130,000(to cover operating and opportunity costs); Evans, however requires the building to have a minimum market value of \$880,000(to cover capital gains tax and closing costs) at the end of 1988. This brief analysis neglects the tax benefits of depreciation and interest expense that Evans is accruing over this period:

The building may be depreciated over a 15 year life and since Evans is not rehabilitating the building he may use an Accelerated Cost Recovery System. Using sum-of years-digits would allow Evans to depreciate 45% of the \$700,000 (\$315,000) by 1989 which, in the 50% tax bracket, has a cash value of \$157,500. The depreciation tax benefits, alone, ensure the feasibility of leaving the building vacant. In addition, the interest expense, from an 11% mortgage, of \$77,000 has an annual cash value of \$38,500. Thus a vacant building will provide the owner with a total four year " income " of \$321,000. The question now narrows down to



either, "Will the building be worth in excess of one million dollars (or \$35 a s.f.) by 1985?" or "Can the building generate more than an average annual after tax income of \$81,400?"

Evans second response to the question suggested leasing to tenants on a very select basis including:

Leaving space vacant until the "right tenant" came along;  
three year leases; five year leases with five year options;  
and other plans which include various combinations of or  
additions to the preceeding.

The objective of my question was to determine how to hedge one's position so the building is generating maximum revenue potential as the market changes.

#### Review.

My interviews with the owner, Dr. Evans, were to determine the projected actual plan for the building and to compare the owners strategy and assumptions with mine. The owner and I have some marked differences in preservation, building use and construction, tenant profile, and methodology in establishing the preceeding. There are some features of the owners plan which if eliminated would not meet the design restrictions of the 25% ITC plan but would have a marked positive effect on maintaining the buildings integrity while not adversely affecting its marketability. Specifically, the exterior changes planed by the owner should yield to a restoration and preservation plan.



The owner is planning to make his property the shiniest building on the block but "all that glitters is not gold". I have often been counseled to avoid entering a neighborhood with plans to introduce the most stylish building on the block, whether it is for rehabilitation or new construction. The pioneer incurs the costs and mistakes that the second and third investor will know to avoid. Developing a Grade A office building in an immediate area that lacks such developments is a risky venture. The Cigna building at 18th and the Parkway provided the owner with the initial confidence to generate a Grade A plan and subsequent announcements of new construction at 20th and Market he has interpreted as endorsements to proceed. I don't believe either of these buildings are accurate prototypes or precedents on which to proceed with a Grade A plan. A more accurate representation is a building that has the same geographic encumbrances and projected tenant profile as 2133 Arch St., specifically, the BioSystems or Scott buildings across the street.



## VI. Proposed Plan by Present Owner - Commercial - Grade A

### Review of Investment Plan

#### Introduction

The notes and assumptions for the Grade B are the same as the Mixed Use Plan except as noted in the following:

The current owner will complete the renovation of the existing building to office use at a projected cost of \$1,700,000. Construction is to be completed by January 1, 1984.

Construction is financed by a Construction Loan from Continental Bank of Philadelphia in the amount of \$1,996,000. Continental Bank will also provide a temporary Bridge Loan in the amount of \$650,000.

Rent Base for the completed building is \$15 for 32,000 s.f.

#### Depreciation

The following costs have been included in the depreciable basis of the Project:

Existing Building (Land \$100,000)	\$ 600,000
Improvements	1,700,000
Less ITC adjustments	<u>(340,000)</u>
Building Depreciable Basis	1,960,000
Real Estate Broker Fee	10,000
Payments to General Partner	25,000
Professional Fees	<u>5,000</u>
Depreciable Basis	2,000,000





## THE DEVELOPMENT PLAN CRITIQUE

### VII. CRITIQUE

#### 2. Design Critique

##### A. General Parameters.

Given limited neighborhood decay, a well thought out building will maintain its original use because its tenants will always find it functional and attractive. 2133 Arch St. may not be a major anchor for the neighborhood but if it gains the respect of neighbors and tenants it will contribute to the strength of the neighborhood.

2133 Arch St is unique in design and size and naturally attracts the eye of passersby, thus it is essential that the building's image contributes positively to the neighborhood. As a four square, granite, limestone and brick building, 2133 Arch conveys a sense of security, strength and stability. These are characteristics any self-respecting neighborhood seeks to establish and maintain. The continued representation of these characteristics must be integral to the future use of this building.

##### B. Critique of Owners Plan.

The contemporary owners are seeking high rent tenants by ignoring, masking or otherwise obscuring the buildings classic details with contemporary building materials and designs. I believe such shortsighted acts betray an inherent weak understanding of values that transcend market values and which



are positive attractions to prospective tenants.

There is little doubt in my mind that insensitive treatment of a buildings most important marketing features is a sign that the owner is on an erroneous course. Many of the most successful reuse plans employ sensitive treatment of the existing architectural fabric. The attraction from utilizing contemporary materials and designs is insignificant compared to the greater attraction gained by maintaining the buildings original details.

#### C. Thesis Design Critique

The thesis proposals for developing the site maximize the preservation of exterior details. Window insulation will be achieved by installing a second set of windows within the interior window sash which will allow continued use of the windows and will not mask their features. Exterior doors and wood trim will be restored to their original forms and colors. The caged recreational area on the roof will have its fencing removed if such a plan meets federal approval.

The interior of the building will contain preservation zones on the first and second floor for both the commercial and mixed use plan. These zones will preserve the architectural detailing enumerated in section VII,C-2. The first floor zone will maintain the original room arrangement located between the front of the building and the atrium. A stairwell that stood at the end of the entrance corridor will be reconstructed. The existing rooms will have their architectural detailing restored



limited to the center of the second floor front due to the absence of significant details in the corner rooms. The central front rooms are separated by folding doors which will be closed and boxed in to create apartments for the residential plan. The commercial plan will secure these doors against the wall, in an open position. This provides the tenant with flexibility but more importantly it secures the the doors' preservation.

The third floor will experience general demolition of room arrangements, again, due to a lack of significance. The kitchens and dining halls on the third floor occupy a significant percent of the third floor but they have neither a contemporary use nor historic significance.

The fourth floor will experience complete wall demolition for the commercial plan and less extensive demolition for the residential plan. The walls will be maintained when possible in the residential plan for preservation purposes. The existing recreational area will be preserved and adapted to become an attractive roof garden for the tenants enjoyment.

#### D. Review

The thesis development proposals are significantly more conservative than the current owners plan. The difference is attributable to each individual's confidence in different values. The thesis, for financial purposes, believes the tax benefits will adequately compensate the conservativetact in treating



building details. The current owner believes the grade A office tenant will compensate him for providing contemporary details in an incongruous setting.

If these plans yield equal returns then one must ask why should the historical details be obliterated? Similarly if the owners plan yields significantly greater yields one must ask how could have the preservation plans been adapted to yield similar returns? Is it possible? The answers can be best obtained from the Financial Critique of both plans in section VIII,1.





## VII CRITIQUE

### B. Review of Financials

This chapter will analyze the financial highlights of the three development plans (Grade A and Grade B Commercial and Mixed Use). A bottom line comparison will not provide an accurate interpretation unless certain provisos are noted beforehand.

The three plans were developed using similar parameters regarding market demand, lease-up scheduling and cost estimating that may vary for each project. For instance, a five percent vacancy rate and a five percent annual rent increase were assumed for each project which may not be precisely applicable to each plan. It is possible that the Grade A plan may be difficult to initially lease-up and result in a higher average vacancy rate. This short term liability of the Grade A plan may be offset later when its high rent level will be acceptable to an expected strong market demand for Grade A offices.

The development of the building can not rely solely on long term improvements in its economic pro-forma to successfully attract investors. However, some economic shortcomings such as zero or negative cash flow are, in fact, attractive features to investors in the 50% tax bracket. The sophisticated investor, developer and analyst must be able to interpret the financial pro-formas and distinguish between an attractive tax shelter and a viable real estate development. The three plans presented in this thesis will now be given such a critique.



# 1. Commercial Grade A

The most striking shortcoming of the Grade A plan is the annual Writeoff ratio of less than 2:1 for the Limited Partner's investment. However, this is offset by a large early positive cash flow. The question is, "Does the cash compensate the investors for the absence of tax savings from a negative cash flow? and Will the cash affect the investors backend position?" The General Partner expects to attract investors by providing a tax shield against their current years earnings.

Consider Year 1 (1985) and the Limited Partners' (LP) position and their next best investment alternative - a net 11% return. The LP's \$7000 investment is assumed to be a portion of income that is taxable at a 50% rate. The LP, then, wants his investment to have a net value in excess of \$3850 at year end. Year 1 shielded the \$7000 and provided an additional \$1100 worth of deductions which has a cash value of \$550, thus providing the LP with a net value of \$4050 at year end.

The next four years provided the investor with the following net values over (or under) their minimum requirements:

Year 2, (350); Year 3, 1250; Year 4, 4150; year 5, 4350.

The concern about inadequate writeoff ratios yields to unusual above market returns in positive cash flow of 35%, 94% and 155% for the last three years.



[The extraordinary returns of the Grade A plan were generated, as noted earlier, with certain assumptions which should be carefully considered. A small percentage change in these assumptions will have a marked impact on the LP's investment.]

When the LP liquidates his position at the end of year 5 he can expect to have shielded his entire investment, neted an additional \$8550 in earnings and received between \$24,000 and \$45,000 in profit from the sale of the building.



### Commercial Grade B

The Grade B commercial development plan provides zero cash flow to the investors in return for consistently high tax savings. As a viable real estate investment the property yields an attractive Net Operating Income to Gross Income ratio.

The five year term of the LPs' position with this investment will generate the following dollar values over (under) their minimum requirements:

Yr 1, 204; Yr.2,(2150); Yr.3, (1850); Yr.4, 2345; Yr.5, 559

During this period the positive Net Operating Income is consumed by amortization of first year start-up costs thus providing substantial deductions for the LPs.

The Grade B plan is not able to generate the level of rent revenue that the Grade A plan does but the Grade B plan does have additional deductions from the 25% ITC and the facade easement.

At the time the LP redeems his share of the investment from the sale or the refinancing of the building there will be markedly less profits to share than from the Grade A sale. There will be a range of returns from \$13,000 to \$29,000.





### Mixed Use Plan

The Mixed Use plan provides a steady and attractive writeoff to the investor while providing a strong income from operations, in addition, the expected proceeds from the sale of the building are competitive with the Grade A plan.

The five year investment term provided the investor with the following net values over (under) their minimum requirements:

Yr. 1, 3335; Yr. 2, 4145; Yr. 3, 3260; Yr. 4, 3390; Yr. 5, 2350

The expected proceeds from the sale of the building at the time of liquidation will range from \$15,000 to \$41,000.

The broad attractiveness of the mixed use plan is attributable to the 25% ITC, the Facade Easement, the amortization of high first year costs, above average rent revenue without significantly higher risks, flexibility and high market value at time of sale.



## VIII. RECOMMENDATIONS

This thesis presented three future use plans for 2133 Arch St. Each of these plans are representative of popular alternatives for a building's re-use. For each plan, the question of whether it is economically viable to integrate the Secretary of Interior's Standards for Rehabilitation was raised. A primary objective of the thesis was to determine if the Standards for Rehabilitation are economically viable incentives or are overly burdensome for the marginal sized building. From this analysis it should be apparent whether historic preservation is an influence in a developer's decision making process.

Though this thesis approached the building's re-use alternatives from the perspective of a developer it is a question that is daily addressed to investors, municipalities and institutions. Each of these entities are faced with the increasingly complex issues surrounding a vacant building.

The Grade A commercial plan and the Mixed Use plan are the two most viable alternatives of the three plans. The Grade A plan is riskier than either of the two other plans. As a conservative investor I do not foresee the demand for a small, adapted Grade A office building within three blocks of a projected Grade A 2,000,000 sq. ft. tower. The Mixed Use plan fills a void in the local market rather than supplementing an existing supply as the Grade A plan. A recommendation for the Mixed Use plan is based,



in part, on the flexibility the plan offers for future adaptation to meet market changes. This flexibility is due to the combination of a foothold on Grade Office space, which will assist its marketability if future demand supports office expansion, and its high rent residential units, which are in a position for easy conversion to condominiums. The existing commercial space in the building will likely have a low vacancy rate. I expect the undeveloped basement to rapidly attract tenants.

The Mixed Use plan provides attractive yields for Limited Partnership investment, a strong net operating revenue for easy sale or refinancing and adaptability to take advantage of changes in the real estate market. These traits are each attractive financial incentives to endorse the project and when integrated with historic preservation makes it the optimum alternative use.



## IX. CONCLUDING REMARKS

### (Author's Response to Reader's Review)

The first draft of this thesis was submitted to my readers, John D. Milner and Dr. George Thomas, December 5th, 1984. This thesis is an ammended version of the original. The following are abbreviations of their recommendations or requests for change and a comment on how and where I responded to their comments:

To John Milner:

Chapter II., 1. (General Demographic Information)

re: "Where did this come from?"

A "Note" has been added to the beginning of this chapter explaining my source.

ibid.

re: lack of footnote on Center City master plan

This source is now documented in the text at the point of reference and in the Footnotes.

ibid.

re: lack of footnote on C. Seynour, CEO of Jackson-Cross

This source is now documented in the text at the point of reference and in the Footnotes.

ibid. (Employment)

re: lack of footnote on employment statistics

This source came from a formal real estate perspectus offered by the North Atlantic Investment Corp. The data originally came the noted federal government agencies.

ibid. (Transportation)

re: lack of footnote on Transportation description

A "Note" has been added to the beginning of this chapter explaining my source.

ibid., 1, i.

re: lack of footnote on Seymour's description on subleasing

This source is now documented in the text at the point of reference and in the Footnotes.

ibid., ii.

re: lack of footnote on City Planning Commission's housing survey

Survey was conducted in 1983 and is noted in Footnotes.

ibid.

re: lack of footnote on Sandra Garz' statement

Garz' statement is noted in Interviews appendix

ibid.

re: lack of footnote on Ann Bailey's statement

Bailey's statement is noted in Interviews appendix.





ibid.

re: lack of footnote on Planning Commission's housing survey  
See ibid. 1., ii.

ibid.

re: lack of footnote on Planning Commission's housing survey  
See ibid. 1., ii.

ibid., iii.

re: lack of footnote on Urban Land Institute  
This source came from a formal real estate perspectus  
offered by North Atlantic Investment Corp. and is noted in  
the Footnote appendix.

Chapter II., A, 2,

re: "casual student of Phila.'s 20th c. history"  
Deleted and new introduction written.

ibid., 3.

re: lack of footnote on deed search  
I conducted the deed search and noted it at the point of  
reference.

ibid.

re: local successful building uses  
The description of successful buildings in the neighborhood  
remains standing.

ibid., 4, iii. (1984 Building Stock Survey)

re: "How many residential units in these buildings?"  
An estimate of 600 residential units, including single family  
and apartment units is now noted at the point of reference.

ibid.

re: "new residents were provided with an immediate sense of  
neighborhood"  
Ammended to describe particular new developments which were  
constructed adjacent to existing older residences.

ibid., B. & C. (Historical and Architectural Significance)

re: lack of summary of existing documentation  
This chapter has been rewritten and includes the highlights  
of the two National Register Nominations.

ibid.

re: lack of initial statement of building's significance in  
Introduction  
The Introduction has been rewritten and includes note of the  
building's historical and architectural significance.

ibid.

re: lack of footnote on National Register Nominations  
These Nominations are included in the Appendix and  
Referenced in the Footnotes.



- ibid.  
re: lack of footnote on building's innaugural pamphlet  
The pamphlet is referenced in Footnotes and is included,  
in total, in the Appendix.
- ibid.  
re: "Was the building accepted to the National Register?"  
It was not. See Chpter II., B.
- ibid., D, (Room Arrangement - Basement)  
re: "description lacks organization...are random..."  
The Room Arrangement description was rewritten.
- ibid.  
re: ceiling height not recorded  
Ceiling height is noted for each floor.
- ibid. (First Floor)  
re: "description should be more illustrative of building  
plan clearly organized around central court"  
The Room Arrangement description was rewritten.
- ibid. (Second Floor)  
re: "no reference to the central feature - the light well"  
The Room Arrangement description was rewritten.
- Chapter III & V, A, (Exterior Design Plan)  
re: facade easement.  
The building is not on the National Register and is noted in  
Chapter II, B.
- ibid. (Interior General Construction)  
re: use of the word "terrazza"  
The basement level is no longer referred to as "Terrazza",  
it is now labeled "Basement".
- ibid. (Concluding Remarks)  
re: demolition and redesign impact on Part 2 of Nat.Reg.  
The ammended design plan will not incur as much demolition  
as the original and will include "preservation zones".  
These zones were recommended by George Thomas as a tool to  
stress the preservation considerations implemented in the  
re-use plan.
- ibid. (Design Drawings)  
re: orientation to north  
All drawings are oriented with north at the top of the page.
- ibid., B., (Financial Information - Notes & Assumptions)  
re: "Has an investment group been organized?"  
Yes, to present a comprehensive analysis of an actual  
development plan I established a corporation. An  
introduction to the corporation and its purpose is included  
at the beginning of Chapter III., B.



ibid.

re: \$40,000 Placement fee "is light"  
This fee has been doubled

ibid.

re: "Catch 22" question  
The building is not currently on the National Register and will only be nominated with the assurance that the re-use design is acceptable to the Part 2 requirements.

ibid. (Partnership Agreement Provides the Following Allocation)

re: "Doesn't this change after 5 years?"  
Yes, this is noted in the Introduction to the Corporation.

ibid. (interest rate at 11%)

re: "Realistic?"  
The interest rate has been changed to 14% on Permanent Loans and 15% on Construction and Bridge Loans.

ibid. (Development Risks)

re: Historical Registry Nomination denied "a risk if it passes - the ITC will be lost".  
Nomination will not be pursued unless the designs are acceptable to Part 2 requirements.

ibid. (Description of Risk Factors)

re: "Is there an existing Partnership agreement similar to this?"  
No, these risks were generated with the assistance of Dan Defelice, a Penn Law and MBA student, for this building.

Chapter III., C, (Proposed Tenants)

re: lack of mechanical services necessary for medical tenant.  
This assumption is deleted.

To George Thomas:

Chapter III., C, (Proposed Designs)

re: proposed apartment room arrangement  
Each apartment is presented with individual room square footage noted but proposed arrangement is deleted.

ibid.

re: Preservation Zones  
The re-use designs will have Preservation Zones color coded and will be juxtaposed to original floor plans.



## FOOTNOTES

1. City of Philadelphia, Master Plan, City Planning Commission, Ed Bacon, Executive Director, 1961, Philadelphia, PA
2. Jackson-Cross, Philadelphia Market Survey, Jackson-Cross, 1984, Philadelphia, PA
3. Caldwell Banker, Office Vacancy Index, Caldwell Banker, 1983 Philadelphia, PA
4. Jackson-Cross, *ibid.*
5. City of Philadelphia, Housing Survey, Ch. 1(Summary), 1984 Sandra Garz, Housing Director, Philadelphia, PA
6. *ibid.*
7. *ibid.*
8. *ibid.*
9. *ibid.*
10. North Atlantic Investment Corporation, Real Estate Prospectus, NAIC, 1983, Philadelphia, PA
11. *ibid.*
12. The Juvenile Court and House of Detention, Board of County Commissioners, City and County of Philadelphia, 1908.
13. National Register Nomination, George Thomas, CLIO, Philadelphia, 1984
14. National Register Nomination, Betsy Mintz, Philadelphia, 1984.





## INTERVIEWS

1. Sandra Garz, City of Philadelphia Planning Commission, Housing Director, March, 1984.
2. Ann Bailey, Jackson-Cross Realtors, Residential Broker, March and November, 1984.
3. Bill Burke, City Planning Commission, Area Planner for Logan Square, November, 1984.
4. Staff of the Philadelphia Historic Commission, October - December, 1984.
5. Staff architects, Adaptive Design, 210 Church St., Philadelphia, November, 1984.
6. Michael McCann, AIA, Hans Stein Assoc.s, Inc. 212 Race St., Philadelphia, November, 1984.
7. Dr. Richard Evans, owner, 1001 Medical Tower, Philadelphia, November, 1984.
8. Conversations were transpired with local residents during on site survey of building stock during October, 1984.



## 7. Description

Condition		Check one	Check one	
<input type="checkbox"/> excellent	<input type="checkbox"/> deteriorated	<input checked="" type="checkbox"/> unaltered	<input checked="" type="checkbox"/> original site	
<input checked="" type="checkbox"/> good	<input type="checkbox"/> ruins	<input type="checkbox"/> altered	<input type="checkbox"/> moved	date <u>N/A</u>
<input type="checkbox"/> fair	<input type="checkbox"/> unexposed			

### Describe the present and original (if known) physical appearance

The Juvenile Court and House of Detention, located at 2133-41 Arch Street, is a four story, with full basement. Georgian/Classical Revival municipal court building built in 1908. Designed to house the city's first juvenile court and detention house, the building is of brick construction with polished granite and limestone trim. Philip H. Johnson, City Architect, designed an impressive structure which reflected the sweeping changes in the juvenile justice system instituted in Philadelphia in the early part of the twentieth century. Construction was completed under the direction of Sax and Abbott Construction Company.

Located on the north east corner of the 22nd and Arch Streets, the building provides two major elevations and fills the entire lot. Resting on a polished granite base, the basement is lit by small, two light windows shielded with decorative iron grills. The ground floor, finished with smooth dressed, rusticated limestone trim, has segmentally arched windows with segmented, single light transoms and voussiors. The fenestration configuration of the ground floor consists of three windows grouped together, flanking the windows, grouped together, flanking the segmentally arched main entrance. Large, paired brackets support a small iron balcony resting above the central doorway. Limestone coping defines the building ends as well as the recessed center pavilion. The second floor fenestration follows the same groupings as the first, this time executed in smaller, double hung 1/1 sash with stylized splayed limestone lintels and keystones. Above the doorway is a paired window elaborately detailed with limestone trim and a segmented hood. The third floor windows are simply finished with splayed stone lintels and keystones, including the paired center window.

Crowning the building is a molded limestone cornice with large, paired and single brackets supported by dentiled consoles. Rising above the cornice is a brick parapet; defining the projecting building ends are limestone panels. Rising above the roofline is a wire mesh cage, housing an open play area.

The 22nd Street facade imitates the detailing of the Arch Street elevation with the exception of a private entrance, at ground level, intended for the judges, a basement entrance for deliveries and the fire doors with iron balconies on the second and third floors. At the rear of the building was yet another entrance, designed specifically for the children, so they might avoid the stares of passers-by, as they were brought to the detention center.

According to the Board of Commissioner's publication, an open well measuring 30 feet by 11 feet rested in the center of the building, providing light to the interior as well as recreation space. The interior of the building was laid out as follows: the basement contained shower, bath and dressing rooms; laundry room, kitchen storage, general storage, boiler room and boys gymnasium. When the children were first brought to the facility they were examined for illness or disease, then they showered and were given a clean set of clothes. The main floor contained the lobby, detailed with marble wainscoting and flooring, the court room, judges chambers, district attorney and clerk of the court offices. A waiting room for witnesses, parents and others having business with the court was across the hall from the court room. At the rear of the building was a conference room for the Board of Managers, various record rooms, medical dispensary and



# National Register of Historic Places Inventory—Nomination Form

For HCRRS use only

received

date entered

Continuation sheet Juvenile Court & Detention Ctr.  
Item number 7

Page 2

small consulting rooms for parent-child visits.

The second floor was divided into boys and girls quarters. To one side was the boy's dormitory rooms, simply furnished with an iron bed, chair and small rug. The Superintendents living quarters were located on this floor as was the boy's infirmary. On the other side of the building was the girl's dormitory rooms, a playroom and sewing room. The Assistant Superintendent's quarters was located in the girl's wing along with their infirmary.

The third floor was also split, housing additional boys living quarters, with special accommodations for particularly troublesome lads. Adjoining these rooms was the boy's school room and a manual training room. Additionally, a play room for the smaller boys, the boy's dining room and main kitchen were located in the boys wing. On the other side was the girl's dining room, additional dormitory spaces, girl's school room, matron's suite and officer's dining room.

The fourth floor contained a boy's playroom and a roof garden used in the warm weather months, access to which was available only through a private stair connecting to the boys side of the building. Bedrooms and sitting room for the help were also located on the fourth floor.

Interior finishes show the hard palette of materials appropriate to its magisterial purpose. Marble wainscoting sheathes the entrance, and continues into the reception room while most of the first floor spaces are embellished with deep egg and dart molded cornices. Many of the public corridors are similarly ornamented, while arches across the corridor break the scale. The interior court rises the full height of the building, and is faced with grey-tan brick with limestone trim. The building has retained most of its original finishes and surfaces, with the exception of a central stair, which faced the entrance door. Evidence of it can still be seen in the fenestration patterns of the south wall of the inner light court.

The total cost of construction for the project was \$164,408.59 including contract fees, additional construction costs, architect's commission and interior furnishing costs. It is interesting to note there is no plaque, sign or inscription on the building which designated it as the juvenile detention center. It was the expressed wish of the Board of Managers and County Commissioners, that as little attention be drawing to the building or its purpose, so as not to place any unnecessary stigmas upon those taken to the center. It is in this vein that the Board expressed its wish, "...to embody in its construction and appurtenances all that can be desired for safety, health, comfort, convenience, moral, mental and physical training of its inmates, ... that it may ever remain a useful agency for the uplifting and salvation of the unfortunate young who are called dependant and delinquent children."<sup>3</sup>

Built in a classical mode, the Juvenile Court and Detention Center represents a significant structure, not only because of the reformist legislation which enabled its creation, but also in the principles and conditions which guided Philip Johnson in the creation of his design. Clearly the facilities provided, within the plant,

<sup>3</sup> Board of County Commissioners. The Juvenile Court and the House of Detention



**National Register of Historic Places  
Inventory—Nomination Form**

For HCERS use only

received

date entered

Continuation sheet Juvenile Court & Detention Ctr.  
Item number 7

Page 3

indicated a new understanding of the population being incarcerated. While cognizant of the fact that its occupants had committed or were accused of crimes of varying degrees, the criminal justice system, established in Philadelphia, was also very much aware of the age and special considerations which prevailed in attending to the welfare of minor children. The Detention Center represented a major leap out of the dark ages where criminals of all ages and offenses were lumped together, marking a landmark step for modern juvenile penology.





Period	Areas of Significance—Check and justify below					
prehistoric	archeology-prehistoric	community planning	landscape architecture	religion		
1400-1499	archeology-historic	conservation	X. law	science		
1500-1739	agriculture	economics	literature	sculpture		
1600-1699	architecture	education	military	social		
1700-1799	art	engineering	music	humanitarian		
1800-1899	commerce	exploration/settlement	philosophy	theater		
X 1900-	communications	industry	X. politics/government	transportation		
		invention		other (specify)		

Specific dates 1908

Builder Architect Philip H. Johnson / Sax &amp; Abbott Contract

## Statement of Significance (in one paragraph)

The progressive era in America witnessed many far reaching social, political and economic changes and reforms. Lasting slightly less than 20 years, approximately 1898 - 1917, progressivism embraced reform in public reaction to the ever growing corruption in government, the plight of the urban poor and the uncontrolled growth of big business. Essentially a middle class moralism, progressivism was aimed at arousing the conscience of the American people to improve the condition of all people. Fundamental to their ideology was an assumed responsibility by those of means to those less fortunate. The movement was built upon a strategy of government reform, once more responsive to the unorganized masses, could bring about sweeping social and economic reform. The earliest reform efforts focused on the establishment of settlement houses and attempts to improve slum conditions through personal contact with the poor.

In conservative Philadelphia, the progressive movement met with greater resistance, than in other parts of the country, but in the early years of the twentieth century, significant inroads were made in the area of reform. Particularly in the area of juvenile justice, Philadelphia together with Chicago, led the nation in reforming the system of processing and detaining youthful offenders. The Juvenile Court and Detention Center at 2133-41 Arch Street represents the culmination of a major effort, undertaken by Philadelphia reformers, to protect and help "unfortunate children, preventing their confinement in jail and providing separate time and place for consideration of their case..."<sup>1</sup> As the second juvenile court to be established in the United States and the first to be sanctioned by a state Supreme Court, the Juvenile Court and Detention Center plays a significant role in the history of juvenile penology in America.

Public concern, in Philadelphia, for the treatment of delinquent children can be traced back to the 1820's when the Society for the Alleviation of Miseries of Public Prisons drew up a plan for the establishment of a "House of Refuge". "Painfully impressed" with the ill effects of allowing youth to be imprisoned along side adult criminals, "exposed to the contamination of every species of vice and crime..."<sup>2</sup>, society members met to establish, build and manage a reform house for juvenile delinquents. On March 23, 1826 an Acts of Assembly, created for the organization known as the House of Refuge for Juvenile Offenders officially established this refuge.

The first responsibility of managers for the House was to provide an appropriate building for the delinquent juveniles and to establish regulations for their education, religious and moral training, employment, discipline and safekeeping. In 1826 a tract of land at the corner of Ridge and Fairmount Avenues, between 15th and 16th Streets was purchased by the managers. Here the first House of Refuge was erected with stone walls forming a thick and tall enclosure. The facility expanded in 1850 when faced with over crowding and racial problems caused by housing Black and White children together. In 1889 the House of Refuge was removed to Glen Mills, Delaware County, where it was hoped a wholesome country setting might have further reforming effects.

<sup>1</sup> New Century Club. "What the Juvenile Courts and Probation System has done in Philadelphia Philadelphia, July, 1904. p.6



## National Register of Historic Places Inventory—Nomination Form

Continuation sheet Juvenile Court & Detention Center number 8

Page 2

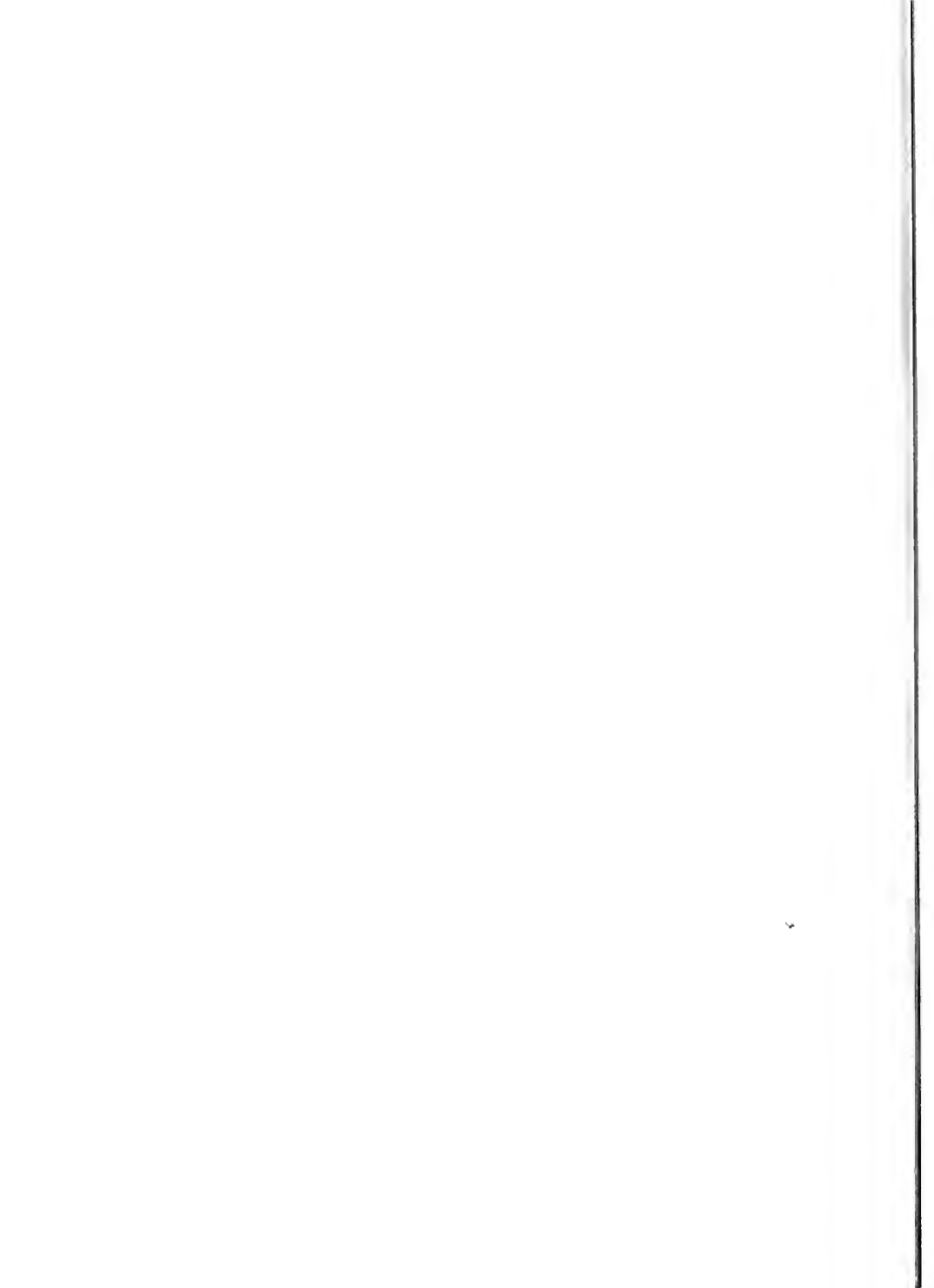
While the establishment of the House of Refuge separated convicted vagrants or "incurable" juveniles from the adults in the regular prison facilities, the juvenile justice system of the nineteenth century made no such distinctions in trial proceedings in the detention of those awaiting hearing or on trial. Rising concern over the inadequacy of this system led child welfare reformers to campaign for the creation of a separate court to hear juvenile cases. Chicago settlement works and women's organizations urged the passage of the city's first juvenile law, ratified by the Illinois legislature in July of 1899. The law, establishing a juvenile court and probation system, as well as children's detention houses designed to replace jails, was closely studied by Philadelphia reformers. In March of 1901, the Juvenile Court and Probation Acts passed the Pennsylvania State Senate. Because of this event, Philadelphia holds the distinction of having the first Juvenile Court Act, in the United States to be sustained by a State Supreme Court.

Under the administration of Mayor John Weaver, in the year 1901, the first juvenile court opened in Philadelphia. Through the offices of the Mayor, efforts were made to secure a building for the city's detention center. Despite wide spread support, in 1903, the Acts were once again passed through the State Legislature, having been declared unconstitutional on a technical issue. At that time, the Senate enacted a mandatory law requiring separate rooms or a building apart from the adult jails to house children awaiting hearings or trial.

Rooms in City Hall served as the first House of Detention while plans were made for construction of a new building. Lack of funds caused a delay in construction and juvenile offenders were first held at the Almshouse and later in a rented building at 15th and Arch Streets. Finally, in 1908, the present Georgian Revival Juvenile Court and Detention House, designed by municipal architect, Philip H. Johnson was completed. As touted in a publication presented by the Board of County Commissioners, marking the opening of the facility, Johnson's design for the Detention Center expressed a keen understanding of the requirements of the newly created juvenile justice system. Designed as a completely self contained unit the building resembles a great square with a hole cut in the center for a courtyard providing light and recreational space. All of the major needs of the child could be met within the confines of the structure since it contained a court room, judges chambers, district attorney's office, school rooms, separate dormitory wings for both boys and girls, as well as a medical dispensary, dining room, laundry, toilet/shower rooms, gymnasium and small consulting rooms for parents and children to meet.

The passage of the Juvenile Court and Probation Acts and the subsequent creation of the Court and House of Detention on Arch Street, marked a new era in enlightened thinking concerning the separate treatment of adults and juveniles with the criminal justice system. The legislation demonstrated a compassionate attitude which provided for the welfare of delinquent children while still delivering justice for criminal offenses. Philadelphia's pioneering efforts in the area of juvenile criminal justice were hailed by judges and reformers across the country. The Philadelphia Juvenile Court and Probation System attracted great interest and request for information from around the world, including an invitation from the Earl and Lady Grey of Canada to have a spokesperson visit their country to lecture on the Philadelphia juvenile justice system. The Juvenile Court and House of Detention served as a proto-type for juvenile court facilities throughout Philadelphia. Its creation had a profound effect on the creation of a modern penal system designed specifically for youthful offenders.

Scharf & Westcott. History of Philadelphia., 1609-1884, vol.III. L.H. Everts & Co. Philadelphia, 1884. p.1838.



Clio Group, Inc.

8. Property owners name and address

Robert H. Hess  
Harold B. Hess, Inc.  
1528 Walnut Street  
Philadelphia PA 19102

9. Tax Parcel number / Other number:

083020000

10.

U.T.M. 18 48 50 00  
11. status (other survey, etc.)  
PA Historic Sites  
Survey, 1980  
12. original use  
Juvenile Court  
13. present use  
Juvenile Court  
14. condition above average  
15. integrity  
excellent

12. classification

site ( ) structure ( ) object ( )  
building (X)  
in N.R. district yes ( ) no ( )

13. date(s) (non-determined)

1907-08 (BG)  
14. period  
1900-1919

15. style, design or folk style

Georgian Revival

16. architect or engineer

Philip Johnson

17. contractor or builder

Sax and Abbott

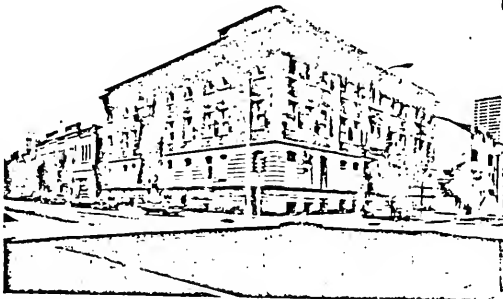
18. primary building material / construction

brick, limestone and  
terra cotta

23. site plan with north arrow

24. photo notation

25. file location



26. Brief description (note unusual features, integrity, environment, threats and associated buildings)

The "House of Detention" is a three-story, Georgian Revival court and dormitory facility, occupying the northeast corner of the intersection of 22nd and Arch Streets. It is a straight-forward rectangular block, with a monumental coursed limestone base, separated by a water table into basement and first story. The upper stories continue the salient end block articulation of the base, emphasizing the central doorway and subdividing the facade into three elements. Limestone quoins outline the brick side wings, but not the central recessed pavilion, in a perverse restatement of Georgian design. A dentilled and bracketed cornice crowns the facades. Fenestration is original, and repeats the hierarchical organization of the facade, with 1/1 segmental-headed windows in the stone base and small paned sash, spanned by limestone flat arches, on the upper two stories. Paired windows above the entrance are joined by a limestone pediment to reiterate the symmetry of the facade, while further emphasizing the location of the entrance. Paired brackets frame windows on the handsome (cont.)

27. history, significance and/or background

The House of Detention/Juvenile Court Building is an imposing, urbane landmark that lends scale and architectural quality to what was a peripheral industrial/residential neighborhood. Its location was, no doubt, carefully calculated by the Vare political machine which ruled Philadelphia and scattered public works as rewards to faithful communities -- and as punishment to political opposition. Philip Johnson, Vare's personal architect, designed Edward and George Vare's houses at Broad and Wolf in 1903,

28. sources of information

Clio Index: 0009613, 0028249, 0008115  
Philadelphia Inquirer 8 Nov. 1911; 465 Nov. 1908; 27 Feb. 1907

(continued)

29. prepared by

G. Thomas

30. date

revision(s)

Juvenile Court

House of Detention

Philadelphia

2133-2141 Arch Street

047-1000-02133



26. Continued

terra cotta cornice. Interior finishes show the hard palette of materials appropriate to its magisterial purpose. Marble wainscoting sheathes the entrance, and continues into the reception room, while most of the first floor spaces are embellished with deep egg and dart molded cornices. Many of the public corridors are similarly ornamented, while arches across the corridor break the scale. The interior court rises the full height of the building, and is faced with grey-tan brick with limestone trim. The building has retained most of its original finishes and surfaces, with the exception of a central stair, which faced the entrance door. Evidence of it can still be seen in the fenestration patterns of the south wall of the inner light court.

27. Continued

firehouses, Philadelphia General Hospital, and, his two masterpieces, City Hall Annex (1925) and Philadelphia's Convention Hall (1929), in a career that spans the boom years of Philadelphia's municipal building. The House of Detention is an early, important work that shows the fully developed style of the architect. Changing neighborhood uses, initially generated by the demolition of the Pennsylvania Railroad viaduct and, later, the "Triangle Development Project" have created a residential community, making a prison less welcome. The building has been updated, and residential use, in conformity with its original use, is contemplated.

The greatest area of significance of the building lies in an area already alluded to above. The House of Detention makes visible the punitive nature of machine politics in Philadelphia at the turn of the century. Those wards in south Philadelphia that provided the majorities for the Vare machine were regularly rewarded with new schools, parks and fire and police stations. In 1838, for example, there were no parks or police stations in the vicinity of 22nd and Arch, while the relatively sparsely populated South Philadelphia was already dotted with four parks and five police and fire stations, including two of the "super" combination fire and police houses. Moreover, it was not a coincidence that most of the new stations were designed by Philip Johnson, architect at the same time for the private homes of the Vare brothers, Edward and George, on South Broad Street.

At the same time, the area north of the Pennsylvania Railroad's Chinese Wall was virtually cut off from city services during the early years of the 20th century. Here scarce and aging public schools contrast with the new schools in other regions. Of the sixty schools built between 1900 and 1907, only one new school, the Northwestern school, was built in this region, to replace a school built 68 years earlier, in 1832! Its location at 15th and Race Streets was as far as possible from the 22nd and Arch Street neighborhood. At the same time a dozen major new schools were being built below South Street, with one in 1904 being named for Abigail Vare.

Against the pattern of neglect of the community established before 1908 is the equally clear pattern of location of prisons in Philadelphia during the 19th century. It is surely not a coincidence that John Haviland's Eastern State Penitentiary, Thomas Walters Moyamensing Prison, and the Wilson Brothers Graterford Prison were all located beyond the fringes of the built up city. And if later the city growth surrounded each prison, still the goal was to separate prisons from residential neighborhoods. Thus, the decision to place the euphemistically named House of Detention at 22nd and Arch Streets made a significant statement to those residents.

(continued)

EVALUATION

The Juvenile Court is an important urban landmark that represents the impact of the Vare political machine on Philadelphia. Moreover, it is a sophisticated architectural work by a noted municipal architect, Philip Johnson, and warrants inclusion on the National Register.

EVALUATORS

G. Thomas





## 26. Continued

terra cotta cornice. Interior finish its magisterial purpose. Marble wain reception room, while most of the flat molded cornices. Many of the puc across the corridor break the scaling, and is faced with grey-tan brick of its original finishes and surface the entrance door. Evidence of it c south wall of the inner light court.

## 27. Continued

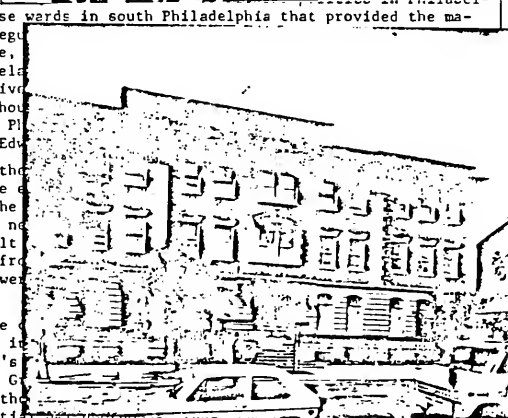
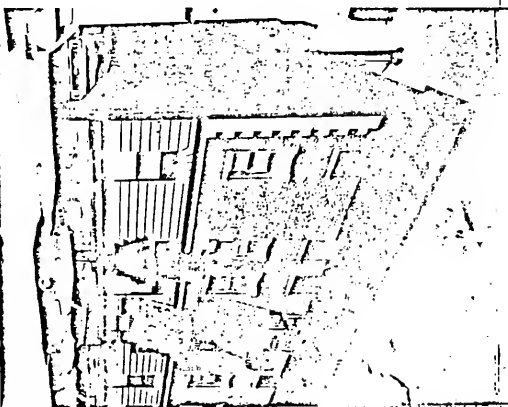
firehouses, Philadelphia General Hos (1925) and Philadelphia's Convention of Philadelphia's municipal building that shows the fully developed style ally generated by the demolition of "Triangle Development Project" have welcome. The building has been upda ginal use, is contemplated.

The greatest area of significance of The House of Detention makes visible phia at the turn of the century. Those wards in south Philadelphia that provided the majorities for the Vare machine were regu police stations. In 1908, for example, cinity of 22nd and Arch, while the rela already dotted with four parks and five "super" combination fire and police hou of the new stations were designed by Pl private homes of the Vare brothers, Edu

At the same time, the area north of the cut off from city services during the aging public schools contrast with the built between 1900 and 1907, only one ne this region, to replace a school built Race Streets was as far as possible fro same time a dozen major new schools we being named for Abigail Vare.

Against the pattern of neglect of the clear pattern of location of prisons is not a coincidence that John Haviland's sing Prison, and the Wilson Brothers G of the built up city. And if later the was to separate prisons from residential neighborhoods. Thus, the decision to euphemistically named House of Detention at 22nd and Arch Streets made a significant statement to those residents.

(continued)



## EVALUATION

The Juvenile Court is an important urban landmark that represents the impact of the Vare political machine on Philadelphia. Moreover, it is a sophisticated architectural work by a noted municipal architect, Philip Johnson, and warrants inclusion on the National Register.

EVALUATORS

G. Thomas



27. Continued

The residents, on the other hand, apparently valiantly contested the Vare machine, showing significant shifts from the voting patterns of the machine wards. In the 1903 election, the 10th ward showed a lower margin for the machine winner, to the chagrin of its ward leader, James P. McNichol. It is significant that a majority of the election officials from the 10th ward represented Democratic and other minority parties, while none of the South Philadelphia divisions committed that breach of machine politics etiquette.

Finally, it should be noted that the 10th ward was further punished in the customary fashion of the machine by paying taxes at a higher rate than other city wards -- especially than in South Philadelphia. In 1910, the Vare dominated 39th ward, with nearly twice the population (48,000 to 27,000) paid nearly half the taxes to the city as did the 10th ward (\$286,000 to \$501,000). Surely neglect would have been more benign. Thus, the location and construction of the House of Detention epitomized the decision making of the Vare machine at the height of its power, and recalls the sad age when Lincoln Steffens tarred the city with the epithet "corrupt and contented".

28. Continued

Philadelphia Magazine, April, 1911, April 1910

"The Juvenile Court and House of Detention, Philadelphia", Rudolph Blankenburg, Harold Chase, Charles Donnelly, 1908.

F.D. Edwards, The Public School Buildings of Philadelphia from 1900-1907, Philadelphia, 1937

EVALUATION

1. AL. 27. 24



*The Juvenile Court*  
— *and* —  
*House of Detention*  
PHILADELPHIA



ERECTED *by the* BOARD OF  
COUNTY COMMISSIONERS

RUDOLPH BLANKENBURG, *President*  
HOWARD A. CHASE  
CHARLES P. DONNELLY

---

PHILIP H. JOHNSON, *Architect*  
SAX & ABBOTT CONSTRUCTION CO., *Builders*

---

*Nineteen Hundred and Eight*



## THE JUVENILE COURT AND HOUSE OF DETENTION PHILADELPHIA

---

The establishment of juvenile courts marks a new era in the progressive stages of a progressive age.

It seems almost incredible that the judicial system of civilized nations has for centuries been indifferent to the fate and future of youthful offenders; that it has classed and massed them, before trial, with hardened criminals instead of segregating them with an effort to awaken in them the innate spirit of goodness and self-respect and uplifting them after the first downward step.

It is amazing, indeed, that the juvenile courts and probation associations are but the creation of to-day, while countless children for whose salvation and in whose interest they were formed have so long suffered and been neglected through the ignorance, indifference or egoism of the makers and guardians of our antiquated laws, now happily being replaced all over our country by legislation that recognizes the spirit of the day.

A word of encouragement, a kindly interest, an approving glance have always proved of greater value and efficiency in saving or redeeming the young who often, through no fault of their own, have fallen from grace, than have harsh words, threats of punishment, chains or dark cells.

The change wrought within a few years in the thought and conception of our duty to delinquent or dependent





children is best expressed in a few terse sentiments of some of the leaders in the movement. Judge Benjamin B. Lindsey, of Denver, Colorado, is perhaps the foremost exponent and interpreter of the new idea. Only a month ago, when opposed for re-election by both political parties for political reasons, he appealed to the conscience of the thinking people, the fathers and mothers, who can best appreciate the value of this new thought for the welfare of unfortunate children, ran on an independent ticket and was triumphantly elected by a large plurality over both his opponents. Thus this all-important question affecting the family, a question that should never be ruled by partisanship, was taken out of politics, and, in Denver at least, it will in the future be considered on its merits only.

JUDGE LINDSEY says: "It is not so much a question of law as a question of work with and for the children. It is a question of doing the thing!"

And again: "Any work to prevent an individual committing crime is a more important work than the punishment of an individual who has committed crime."

And again: "It would be much worse to take a wayward child to some of the jails in which I have seen them, steeped in corruption, as the first step to correct their faults, than to take your sick child to the city garbage-dump and leave it abandoned, alone, and unattended."

JUDGE RICHARD S. TUTHILL, of Chicago: "Children had been kept in police cells and jails in company with the worst offenders. Under such conditions," says Judge Tuthill, "they developed rapidly,



and the natural result was that they were thus educated in crime, and when discharged were well fitted to become expert criminals and outlaws, who have crowded our jails and penitentiaries. The State had educated innocent children in crime, and the harvest was great."

JUDGE GEORGE W. STUBBS, of Indianapolis: "It is the personal touch that does it. I have often observed, if I sat on a high platform behind a high desk, such as we have in our city court, with the boy on the prisoners' bench some distance away, that my words had little effect on him; but if I could get close enough to him to put my hand on his head or shoulder, or my arm around him, in nearly every such case I could get his confidence."

JUDGE JULIUS M. MAYER, of New York: "The essential and underlying purpose of the establishment of this court was the saving, and not the punishment or the restraint, of the child; and wherever the child itself, the home surroundings, the nature of the offense, and all the circumstances have warranted, the judges have always felt it their duty to give the child at least one chance and try it on parole. The results have been so encouraging that we can look forward with confidence to the years that are to come, and feel that many children will have been saved by this system of treatment."

JUDGE THOMAS MURPHY, of Buffalo: "To save children from life-long consequences of childish errors, to check their feet at the very entrance of the downward road and to set them upon the gently-



graded pathway leading to usefulness and happiness, to let them expiate a fault at their own homes under the surveillance of kindly probation officers, and to accomplish these ends without the publicity that tends to blast later attempts at well-doing, as well as to save young souls from the taint of contact with matured criminals, these were the purposes sought to be accomplished in the establishment of the juvenile court of Buffalo."

JUDGE ROBERT J. WILKIN, of Brooklyn: "The children's court in Brooklyn, in two months, has had something like four hundred cases, which promises a large number of children who will need its attention during the coming year, and as each year goes by I predict that more and more will the wisdom of its establishment be recognized."

JUDGE ALFRED F. SKINNER, of Newark, N. J.: "The court has been in operation now almost a year, and the effects have been quite striking. Besides the expected results—viz., separation of juveniles from hardened criminals, conviction of mere delinquency instead of crime, and the advantage of centralization in dealing with such offenders—there has been a diminution in the number of offenders."

The late JUDGE G. HARRY DAVIS, of Philadelphia: "The prevention of crime is more economical than either its suppression or punishment. The association of children with crime in the dock, in the van, or in cells, cannot fail to develop a class of men and women detrimental to citizenship and an expense to the treasury of the county."



JUDGE J. WILLIS MARTIN, of Philadelphia: "My experience in administering the law in the juvenile court leads me to the firm conviction that the establishment of this tribunal is of inestimable value as a civilizing factor in the community. The entire separate treatment of children without permitting them to be brought in contact with old criminals, and the supervision exercised by judicious probation officers over children and parents, are great factors in reducing the recruits for crime."

JUDGE ABRAHAM M. BEITLER, of Philadelphia:

"The Juvenile Court supplies the rational method of dealing with juvenile delinquencies—the method adopted in the family—correction and oversight. It is the ounce of prevention. It gives the boy another, a new and a better chance. It gives him, often, the first chance he has ever had to get into the straight path. It supplements the parents' efforts, often doing what the parent would like to do, but through ignorance fails to do. It is society's effort to do for children what society has long done for the public health and the State does for animals and animal industries.

"The State of Pennsylvania ought not to let go the juvenile court, in my judgment."

Some other Judges: "The juvenile court is its own best excuse for being, and great good must result to the children and the community from the work of the probation officers."

"Pennsylvania would retrogress fifty years if it should give up the juvenile-court law."





"Only ignorance of what it really is could make one oppose the juvenile court."

"Never have I had such service before as has been given by the probation officers, and I hope I shall never have to get along without them."

MRS. HANNAH K. SCHOFF, of Philadelphia, the efficient, never-tiring chairman of the Philadelphia Juvenile Court and Probation Association: "An experience with thousands of children has proved conclusively that there is no criminal class of children. A child's environment, lack of home care, and neglect may lead him into crime, but in each we find the germ of good, and to quicken and develop it is our work. Punishment does not accomplish this. Education, help, love, and patient stimulation of the better instincts can alone develop that germ. We do not consider the crime—we consider the child, and we have saved those whom even the reform schools feared to take, considering them prodigies of crime. We also encourage parental responsibility and provide help and instruction for ignorant, careless parents."

BERT HALL, Milwaukee, Wis.: "From the hour of their arrest children were treated with no more consideration than the most hardened criminals. They were thrown into the same cell in the same corridors in the jail and were taken with the 'bums and rags' to court, where their cases were heard and disposed of in the same flippant manner that usually characterizes proceedings in the police courts of our large cities.



"If released by the court, they went back to their old surroundings, where they at once became the heroes of the boys of the neighborhood on account of their experience and the added equipment for a criminal career which they had received from their associates in the jail and prisoners' pen.

"When the condition became unbearable the child-workers of the city, led by Mrs. H. F. Whitcomb, drew up a bill for presentation to the State Assembly and which became our present juvenile-court law. The bill was passed in 1901 and became operative in July, 1902."

CHARLOTTE C. ELIOT, St. Louis, Mo.: "A very low and degraded class of criminals are tried in the court of criminal correction, many of them old offenders, but there are also novices in crime, and formerly there were many children who, on the day of trial, waited a summons to the bar in the iron cage outside the court-room with the adult prisoners. In this court little discrimination was made between children and adults. The children had their preliminary hearing, the day of trial was set, and they went from the court-room to the jail, there to spend five or ten days until again summoned. Boys held for the grand jury spent weeks or months in jail. Three or four boys a month were frequently held. Since the establishment of the juvenile court as a 'court of original jurisdiction' only two boys in a period of five months have been held for possible indictment."



These extracts from the opinions expressed by those foremost in this great work should convince even the most bitter opponents of the Juvenile Court and Probation Association that there can be no retrograde steps, that it must go forward, as it is the rational, just and humane solution of the paramount question, how to treat our juvenile delinquents and dependents.

The General Assembly of Pennsylvania passed, and Governor Samuel W. Pennypacker approved, on the third day of April, 1903, the following act:

#### AN ACT

Regulating the confinement of children under the age of sixteen years, awaiting trial.

SECTION 1. *Be it enacted, etc.*, That it shall be the duty of the Board of County Commissioners in each county of the Commonwealth to provide in the county a separate room, or rooms, or a suitable building, to be used exclusively for the confinement of any and all children, under the age of sixteen years, who may be in custody awaiting trial or hearing in the courts of the county.

After the passage of this Act, room for juvenile prisoners was provided in the City Hall until other quarters could be secured. Two properties were bought at the northeast corner of Twenty-second and Arch streets, and preparations were made for the erection of a six-story House of Detention. Plans approved by the County Commissioners, the Juvenile Court and Probation Association and others interested were prepared by Philip H.



Johnson, architect, but as there was no money available, the erection of the building was delayed, and the children were for a time cared for at the Almshouse.

After the present Board of County Commissioners had assumed office, the large brown-stone building at the southeast corner of Fifteenth and Arch streets was rented at a rental of \$3,000 a year; it was equipped and furnished, and, while entirely inadequate for its purposes, it was a great improvement over the Almshouse quarters, and the children were moved to this temporary home.

The Juvenile Court became one of the most absorbing questions before the Board of County Commissioners. There were many meetings and discussions regarding the best course to pursue, all of them developing the keenest desire of the members of the Board and others interested to give Philadelphia a House of Detention that should challenge comparison with the best and be a model for other communities, at home as well as abroad.

The erection of a tall building did not appeal to the Board, as it would be difficult to provide separate accommodations, dormitories, school-rooms, play-rooms, work-rooms, etc., for boys and girls without seriously interfering with the safe, easy and economical administration of the house. It would also have required elevator service, the instalment and attendance of which is very expensive.

The Board therefore resolved to try and acquire the three buildings adjoining those already purchased, the easternmost one on the corner of Beechwood and Arch streets. With this area of approximately 90 feet by 100 feet the possibilities of an up-to-date building with light on all four sides became quite encouraging. The corner property, No. 2141, had been bought for \$9,000, No. 2139 for \$8,300, and, after some negotiations, the new Board





secured the other three properties, No. 2137 for \$6,653.83, No. 2135 for \$7,562, the corner, No. 2133, for \$8,500, while a jury awarded \$2,581.29 to the tenant of No. 2135, who had a five years' lease on the building, or a total sum of \$42,597.12, for the ground.

Mr. Philip H. Johnson had demonstrated in his preparations of the plans of the house originally proposed that he thoroughly understood its requirements. He was, therefore, appointed architect of the new house by the unanimous vote of the Board, and the justification of this selection is best seen in the results accomplished.

After an item in the new loan bill appropriating \$200,000 for the building of a House of Detention had been approved, bids were asked for, and the contract was awarded to the Sax & Abbott Construction Company for the sum of \$137,900.

The House of Detention is a four-story fire-proof structure of the French renaissance style of architecture, with main entrance on Arch street, a private entrance for the judge, and a basement entrance for the delivery of supplies, on Twenty-second street, and a special one for the children in the rear of the building, which shields them from the eyes of the idle curious.

There is a tower fire-escape on the east and west sides of the building, one opening on Twenty-second street, and the other on Beechwood street.

The base of the building is constructed of polished granite, the first story of limestone and brick, with brick and limestone trimmings above.

The building fronts on Arch street, and extends from Beechwood street to Twenty-second street, a distance of 90 feet 2 inches, and is bounded in the rear by an alley



10 feet 0 inches wide; the total depth of the building being 93 feet 2 inches.

In the centre of the building is an 'open court, or light well (30 feet by 31 feet), which may be used as a recreation ground.

The children (boys and girls) are first brought into the house by way of the rear entrance, thus avoiding publicity, and taken to the receiving-room, where their names are entered and recorded by a clerk, with the charges brought against them.

Thence each child is taken by an attendant to the Doctor's office, where an examination is made to determine its physical condition. There being no disease, the child is taken to the washing- and dressing-rooms in the basement. The plan of the basement provides a series of dressing-rooms, bath-rooms, shower baths, etc. After having been properly bathed, the children are clothed in clean underclothes and outer garments and then taken to the dormitories on the second or third floor.

The soiled clothes are sent to the disinfecting-room and placed in a sterilizer which runs through a brick wall into a room in the laundry proper, thus insuring against contagion or germs of any kind affecting any of the laundry help. The laundry is provided with all modern facilities, such as washer, extractor, mangle, dryer, ironing tables, etc. Adjoining it is a commodious closet for laundry storage.

There is also in the basement a kitchen storage and general storage-room, boiler-room, separate spaces for boiler coal and kitchen coal and ashes, a well-equipped gymnasium, 20 by 30 feet, for boys, and a pantry and dining-room for the help.

While waiting for the disposition of their case, the



children are placed under proper school discipline, with ample recreation facilities, both indoor and out, gymnasium apparatus and games being provided. The case, when reached, is heard in the court-room provided for that purpose.

The plan of the house is so arranged that the girls' department is entirely separated from that of the boys', almost as exclusive as if there were separate buildings provided for each.

The first floor has its main entrance on Arch street, through a vestibule into a lobby with marble floor and marble wainscoting. To the west is the court-room, also marble floor and marble wainscoting, with a dais and platform for the judge. Accommodations are provided here for comparatively few, as it is deemed inadvisable to have idle spectators who come through mere curiosity.

In the rear of the court-room is the judges' room, which is reached through a private entrance on Twenty-second street. Its furnishings are in keeping with the dignity of the office, and it is adjoined by a toilet- and wash-room.

To the east of the main entrance is the main waiting-room, with marble floor and marble wainscoting. This room is provided with benches and chairs for witnesses, parents and others whose business requires their attendance. In the rear is a toilet-room for men, as well as for women.

The main corridor of the first floor is so arranged as to separate the court-room and the main waiting-room entirely from the rest of the building.

Adjoining the judges' room are two rooms, one for the district attorney and one for the clerk of the court, each room furnished to insure comfort and facilities for the officials.



North of the fire escape is the conference-room for the Board of Managers, and adjoining it the conference-room for the officers of the Probation Association. Both rooms are commodious and supplied with the necessary conveniences for the transaction of business.

Room 107 is the receiving-room already spoken of. Rooms 108 and 109 are record-rooms, with a vault in the rear of 109. Filing cases and other conveniences for the storing of records, books, papers, stationery, are provided in these rooms.

Room 110 is the dispensary, a corner room equipped with all modern appliances, surgical instruments, Roentgen X-Ray apparatus, etc., so as to be prepared for any emergency, and also for the detection of physical defects which may be the cause of the child's delinquency. The adjoining room is the Doctor's private room.

Rooms 113, 114, 116 and 118 are small consultation rooms for parents and their children, also their attorneys; they are deemed essential to secure proper privacy in discussing their cases. Rooms 120 and 121 are for the same purposes on the girls' side of the house; room 119 is the photo. dark-room.

The second floor plan provides, on the boys' side, rooms 200, 201, 212, 214 for dormitories. These rooms are equipped with white enamel bedsteads of the regulation size, each bedstead having beside it a chair on which to deposit clothing, and also a small rug. The bedding provided is sanitary and comfortable, while especial attention has been given to proper ventilation of the rooms.

On the east side of this floor is located the superintendent's suite of rooms, parlor and bedroom, with bathroom between the two.

Room 213 is the boys' infirmary, to be used in case of





sickness, and large enough to accommodate a half-dozen children at one time.

On the girls' side of the second floor, rooms 202, 204, 208 and 209 are dormitories, some of them large enough for a half-dozen beds or more; others for one or two beds. Room 211 is a girls' play-room, and room 203, at the southwest corner of the building, is the girls' sewing-room. This is a light room with windows on Arch street, as well as on Twenty-second street. It is provided with sewing machines and two cabinets for the display of the work done by the girls.

Adjoining is the Assistant Superintendent's suite, parlor and bed-room, with bath-room between the two.

Room 210, at the northwest corner of the building, is the girls' infirmary, which is fitted up in the same manner as the boys' infirmary.

There is a sufficient number of toilet-rooms, wash-rooms, bath-rooms and store-rooms on all floors.

The second floor is reached by a main stairway with iron railings, while there are smaller stairways on the boys' side, as well as on the girls' side, in the back part of the building.

The third floor plan provides on the boys' side two rooms for dormitories. One of these rooms is divided into six small compartments for boys who may prove obstreperous, obstinate or disorderly, and who should, therefore, be separated from the other children.

Room 300, 18 by 38 feet, is the boys' school-room. It can be divided by folding doors into two separate compartments. The room is furnished in the most approved style after the pattern of our public schools.

The adjoining room, 312, is the manual training room, one of the most important adjuncts to any institution that



aims to prepare dependent or delinquent children for American citizenship. This room is well provided with all requisite material to interest and instruct the children.

Room 311 is a play-room for the smaller boys.

Room 310 is the boys' dining-room, ample enough to dine forty or fifty boys at one time. It is adjoined by a large and well-ventilated kitchen, with two serving-rooms and dressers, one leading to the boys' dining-room, the other to the officers' and girls' dining-rooms on the opposite side.

The kitchen has a large modern range, and is provided with cooks' and serving tables, store-rooms, the latest-approved refrigerator, shelves, dressers, steam table, meat block, pot and pan racks, sinks and an electric lift to carry provisions, coal, etc., from the basement up. It also has a hood over the range and a skylight and ventilator, thus insuring perfect ventilation and preventing any odor of cooking from reaching other parts of the house.

Room 307, to the west of the kitchen, is the girls' dining-room, and the corner room, 306, is the officers' dining-room; 303 and 305 are girls' dormitories.

All these rooms are plainly, but substantially, furnished. On the girls' side, room 302 is the girls' school-room, equipped like the boys' school-room; while 303 is the matrons' suite, consisting of a parlor and bed-room, with a bath-room between.

The fourth floor contains the boys' play-room, 17 by 27 feet, and a roof-garden, 26 by 46 feet, to be used in summer and during fair weather. These rooms are reached by private stairs connecting only with the boys' side of the house.

It also contains the bed-rooms for the help—rooms



401, 402, 403, 404 and 407. Room 405 is designed for a sitting-room for the help; 406, a storage-room.

As the building was nearing completion, the question of furnishings was considered. The County Commissioners came to the conclusion that it would be wise, as well as economical, to purchase and contract for furnishings that would be durable, rather than cheap.

The architect was requested to prepare specifications for household furniture and furnishings with a view of having the furniture, as near as practical, of a uniform pattern, and constructed in such a manner as to give the best possible and longest service. All specifications were prepared with the greatest care, approved by the Board, and bids were asked for by public advertising, and contracts were awarded to bidders who, in the judgment of the Board, had made the most acceptable and advantageous bids.

The cost of the construction and furnishing of the building for which the loan bill, approved by a popular vote, provided and placed at the disposal of the Board of County Commissioners the sum of two hundred thousand (200,000) dollars, is as follows:

Contract awarded to the Sax &	
Abbott Construction Co.....	\$137,900 00
Additional interior construction,	
fire shutters, etc.....	4,870 00
	<hr/>
	\$142,770 00
Architect's commission .....	7,138 50
Approximate cost of furnishing..	14,500 00
	<hr/>
Total.....	\$164,408 50



It gives the Board genuine satisfaction thus to be able to release from the amount originally allotted to the Board for the building of the House of Detention and Juvenile Court, about thirty thousand (30,000) dollars, and to make this sum available for other purposes of the municipality.

The Board expresses its thanks and appreciation to those who have assisted it in the performance of an arduous and novel obligation imposed upon it by the Act of 1903. Besides the architect, to whom proper recognition has already been given, special mention is due the builders, to whom the house will ever be a monument; to the officials of the Probation Association, the Board of Managers and the Assistant Superintendent.

To the city officials who were consulted by, and acted with, the Board from the inception to the completion of our task, acknowledgments are tendered for ever-willing and courteous consideration.

The House of Detention and Juvenile Court is practically complete, and we hope it may meet the approval of our fellow-citizens. It was thought wise to place no name or inscription designating its purpose on the exterior of the house; therefore, no name carved and perpetuated in stone will cast even the slightest outward stigma upon those detained in the building.

The Board has tried to embody in its construction and appurtenances all that can be desired for the safety, health, comfort, convenience, moral, mental and physical training of its inmates, and as it shall be turned over to the authorities who may now or hereafter be entrusted with its management, let us express the hope that it may ever remain a useful agency for the uplifting and salvation of the





unfortunate young who are called dependent and delinquent children.

The Board of County Commissioners,

RUDOLPH BLANKENBURG, *President*,

HOWARD A. CHASE,

CHARLES P. DONNELLY.

Philadelphia, December 19, 1908.



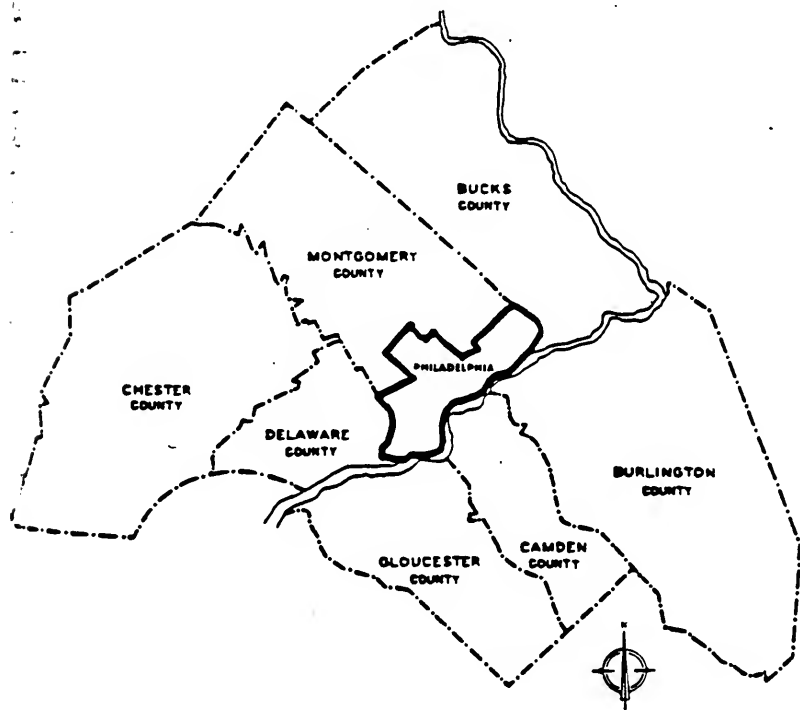
POPULATION  
(Thousands)

	1950	1960	1970	1975	1977	1978	1979	1980	1981
Philadelphia	2071.6	2002.5	1950.0	1802.2	1746.2	1725.3	1711.1	1684.7	1660.1
Philadelphia MSA	3671.0	4342.8	4824.0	4784.4	4758.8	4720.1	4721.4	4720.8	4743.3
United States	152.3	180.7	204.9	216.0	220.2	222.5	225.0	228.6	230.2

Source: U.S. Department of Commerce, Bureau of the Census for 1950, 1960, 1970 and 1980. Wharton Econometric Forecasting Association for 1975, 1977, 1978, 1979 and 1981.



PHILADELPHIA STANDARD METROPOLITAN AREA



PHILADELPHIA CITY PLANNING COMMISSION



**TOTAL NONFARM EMPLOYMENT**

	Philadelphia City										Philadelphia MSA			
	1974	1978	1979	1980	1981	1974	1978	1979	1980	1981				
Total Employment	921,603	866,295	866,248	851,033	838,690	2,077,398	2,092,979	2,137,452	2,131,065	2,137,000				
Number of Proprietors	31,904	34,186	35,480	34,780	37,426	1,365,201	1,255,140	1,300,561	1,333,569	1,336,896				
Total Wage and Salary Employment	889,699	832,099	830,768	816,253	801,264	1,711,197	1,837,839	1,836,891	1,797,516	1,799,104				
Private	720,840	676,360	674,596	658,275	651,720	1,609,380	1,623,043	1,661,607	1,657,242	1,665,046				
Agricultural Services, Forestry	553	598	588	555	603	6,276	7,299	7,867	7,908	7,932				
Mining and Fishing	419	78	88	57	62	1,463	1,266	1,190	1,063	1,000				
Construction	24,449	17,760	19,478	20,401	20,152	87,158	70,809	76,817	76,273	74,169				
Manufacturing	190,063	151,318	148,721	144,021	129,185	501,973	453,921	457,835	442,767	432,745				
Non-durable Goods	115,919	96,019	91,852	86,116	82,412	233,609	216,364	212,842	204,344	199,826				
Durable Goods	74,144	55,325	54,427	48,470	46,273	268,364	237,557	244,993	238,423	232,919				
Transportation and Public														
Utilities	60,176	57,544	57,696	53,183	52,413	103,149	101,139	103,527	99,873	98,989				
Wholesale Trade	55,823	49,954	47,904	47,300	47,744	106,402	111,468	114,969	117,503	125,129				
Retail Trade	108,723	105,216	103,144	98,758	96,772	286,429	308,408	307,653	300,906	302,761				
Finance, Insurance and Real Estate	70,304	71,456	72,575	69,890	69,155	114,863	125,461	129,489	130,136	132,594				
Government and Government Enterprises	210,508	222,410	226,014	233,590	235,634	401,607	443,272	462,300	481,713	494,387				
Federal, Civilian	160,834	155,716	156,151	155,950	149,713	343,133	334,836	336,174	329,190	322,603				
Federal, Military	58,797	51,565	51,690	54,287	53,721	79,497	71,816	70,018	74,218	74,408				
State and Local	16,004	12,014	11,617	12,451	13,131	48,060	39,196	39,759	37,919	40,382				
Unemployment Rate (%)	94,003	92,137	92,844	89,212	82,861	215,576	223,814	224,399	216,110	207,833				
	N.A.	8.6	8.7	7.0	8.3	N.A.	7.2	6.9	6.8	7.5				

Sources: For employment data, U.S. Bureau of Economic Analysis. For unemployment rate, Pennsylvania Office of Employment Security.  
All data revised as of April 1982.





SHARE OF NONAGRICULTURAL EMPLOYMENT BY INDUSTRY (%)<sup>a)</sup>

Industry	Philadelphia			Philadelphia SMSA			U.S.		
	1972	1977	1982	1972	1977	1982	1972	1977	1982
Contract Construction	2.9	2.0	2.4	4.6	3.5	3.6	5.3	4.7	4.4
Manufacturing	23.5	19.4	16.0	28.0	24.4	21.2	26.0	23.9	21.0
Transportation & Public Utilities	7.2	7.1	6.4	5.8	5.3	4.9	6.2	5.7	5.6
Wholesale & Retail Trade	19.3	19.1	18.6	20.9	21.9	22.0	21.6	22.5	22.9
Finance, Insurance & Real Estate	7.8	8.3	8.7	5.9	6.2	6.9	5.3	5.4	6.0
---Banking	2.2	2.6	2.7	N.A.	1.7	1.8	1.5	1.7	1.9
Services & Mining	21.7	25.1	29.1	19.3	22.2	25.7	17.5	19.5	22.5
---Health Services	5.8	7.0	8.8	N.A.	6.5	8.0	4.6	5.6	6.3
Government	17.4	18.8	18.6	15.2	16.2	15.5	18.1	18.0	17.6

a) Not directly comparable to Table B due to different source.  
 source: U.S. Department of Labor, Bureau of Labor Statistics.



MAJOR EMPLOYERS IN PHILADELPHIA

<u>Employer</u>	<u>Number of Employees</u>
University of Pennsylvania	17,400
Bell of Pennsylvania	11,266
Temple University	9,255
SEPTA	8,690
Thomas Jefferson University	5,538
Philadelphia Electric Company	5,300
Acme Markets	4,900
The Budd Company	4,578
Sears, Roebuck & Company	4,567
Strawbridge & Clothier	4,290
CIGNA Corporation	4,100
SmithKline Beckman Corporation	3,500
First Pennsylvania Corporation	3,411
The Girard Company	3,400
Philadelphia National Corporation	3,290
General Electric	3,203
John Wanamaker, Inc.	3,000
United Engineers and Constructors, Inc.	2,375
ARA Services, Inc.	2,286
Atlantic Richfield Company	2,100
Colonial Penn Group, Inc.	1,904
Rohm & Haas Corporation	1,700
Scott Paper Company	1,400

Source: Research Bureau, Greater Philadelphia Chamber of Commerce,  
August, 1982.



## EXHIBIT 6

Rental Rates -- Center City Office Buildings

<u>Building/Location</u>	<u>Age</u>	<u>Class</u>	<u>Current Available Space</u>	<u>Price Per Sq. Ft.</u>
Ave of the Arts Broad & Chestnut Sts. Phila., PA 19107	55yrs.	B	11%	\$15.50
Centre Square 1500 Market St. Phila., PA 19102	9yrs.	A	5%	\$22
Fidelity Bldg. 123 So. Broad St. Phila., PA 19109	56yrs.	A	11%	\$18.50
Packard Bldg. 15th & Chestnut Sts. Phila., PA 19102	60yrs.	B	3 floors	\$17.50
North American Bldg. 121 So. Broad St. Phila., PA 19109	84yrs.	A	None	\$16.50
Widener Bldg. 1337 Chestnut St. Phila., PA 19107	---	A	6%	\$18.50
3 Girard Plaza So. Penn Square Phila., PA	---	A	11%	\$22.50
1600 1600 Market St. Phila., PA	1yr.	A	22% (Process of Rent-Up)	\$27.29

Source: North Atlantic Investment Corporation  
(Information as of December, 1983)



## EXHIBIT 7

	<u>BUILDING</u>	<u>DEVELOPER</u>	<u>SQ. FT.</u>
1)	11 Penn Center 19th & Market Streets	Radnor Corporation	100,000
2)	1650 Market Street	Rouse & Associates	800,000
3)	Goldman Theatre Site 30 South 15th Street	Linpro	250,000
4)	1850 JFK Boulevard (Twin Office Towers)	Evans-Pitcairn	500,000
5)	One Reading Center Office Tower 11th & Market Streets	Reading Company	600,000 (Office) 28,000 (Retail)
6)	Harrison Court Filbert Street	Carley Capital Group	300,000
7)	Stern Building 7th & Market Streets	Butcher & Singer	200,000
8)	Lit Brothers 7th & Market Streets	Hansen Prop.	Halted
9)	Penn Center Inn 20th & Market Streets	Recently purchased. Unsure of definite use yet. Possible office site.	







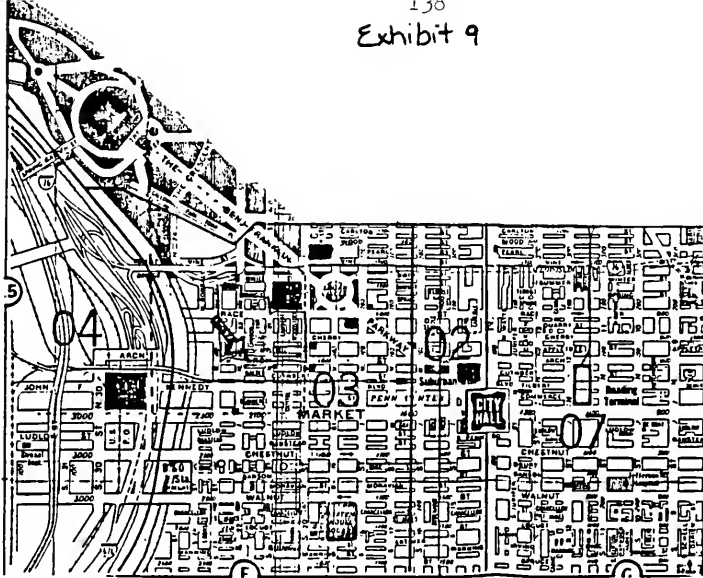
## EXHIBIT 8

## DEMOGRAPHIC INFORMATION

CENTER CITY POPULATION

	<u>AREA</u>	
	<u>Broad to Schuylkill Poplar to South</u>	<u>Delaware River to Broad Poplar to South</u>
Population	47,386	27,500
Families	8,724	4,883
Over 18	41,874	22,342
White	35,421	15,802
Black	4,601	5,225
Other	7,364	6,473
% White	75%	57%
% Black	10%	19%

Source: Institute for the Study of Civic Values  
 Neighborhood Service District Profiles c. 1982.  
 (Information as of 1980)



Cultural, Educational  
Transportation  
2133 Arch Street  
Office buildings in Logan South area

**POWER CENTER MOVES WEST**  
West Market Street has now become the city's commercial, legal and professional spine. One Logan Square [ ] on the northern boundary of Market West, with tenants like Morgan, Lewis and a postcard location, is the clear pecc offier. Other trophies include the Atrium [ ], the Pennwalt Building [ ] and Centre Square [ ], now partly owned by Chicago interests. The next skirmish in the downtown war will probably take place in the 1600 block of Market Street [ ] between two developers, Reese and Oliver Tyrone. The Rubins also play a key role in Market West with Suburban Station [ ] and the air rights over Grayhound Terminal [ ].

Philadelphia Magazine  
JANUARY, 1984



**Center City Philadelphia Office Space  
(New and Existing Buildings)**

Date	Period	No. Of Buildings Surveyed	Area Leased (Square Feet)	Area Available (Square Feet)
December 31, 1974	12 Months	31	1,180,611	3,078,000
December 31, 1975	12 Months	Mixed	1,269,500	3,270,000
December 31, 1976	12 Months	40	796,100	2,649,000
December 31, 1977	12 Months	Mixed	645,000	2,684,000
December 31, 1978	12 Months	44	1,102,500	1,312,844
December 31, 1979: Existing Buildings Under Construction	12 Months	Mixed	816,170 588,000 <u>1,404,170</u>	831,221 1,250,000 <u>2,081,221</u>
December 31, 1980: Existing Buildings Under Construction	12 Months	Mixed 8	1,351,936 459,568 <u>1,811,504</u>	1,189,749 2,328,432 <u>3,518,181</u>
June 30, 1981: Existing Buildings Under Construction	6 Months	47 4	519,037 342,000 <u>861,037</u>	1,073,101 1,330,600 <u>2,403,701</u>
December 31, 1981: Existing Buildings Under Construction	6 Months	56 3	969,097 10,000 <u>979,097</u>	1,064,884 1,052,000 <u>2,116,884</u>
December 31, 1981: Existing Buildings Under Construction	12 Months	Mixed Mixed	1,488,134 352,000 <u>1,840,134</u>	1,064,884 1,052,000 <u>2,116,884</u>

*Jackson-Cross*



**Center City Philadelphia Office Space**  
**(New and Existing Buildings)**

Date	Period	No. Of Buildings Surveyed	Area Leased (Square Feet)	Area Available (Square Feet)
June 30, 1982:				
Existing Buildings	6 Months	56	351,877	1,384,532
Under Construction		3	13,000	1,129,000
			<u>364,877</u>	<u>2,513,532</u>
December 31, 1982:				
Existing Buildings	6 Months	57	377,600	2,279,984
Under Construction		3	250,000	1,215,000
			<u>627,600</u>	<u>3,494,984</u>
December 31, 1982:				
Existing Buildings	12 Months	Mixed	729,477	2,279,984
Under Construction		3	263,000	1,215,000
			<u>992,477</u>	<u>3,494,984</u>
June 30, 1983:				
Existing Buildings	6 Months	59	1,456,979	1,981,119
Under Construction		2	0	845,000
			<u>1,456,979</u>	<u>2,826,119</u>
December 31, 1983:				
Existing Buildings	6 Months	60	865,813	1,673,777
Under Construction & Rehab		5	85,277	945,123
			<u>951,090</u>	<u>2,618,900</u>
December 31, 1983:				
Existing Buildings	12 Months	Mixed	2,322,792	1,673,777
Under Construction & Rehab		Mixed	85,277	945,123
			<u>2,408,069</u>	<u>2,618,900</u>

*Jackson-Cross*





OFFICE MARKET: 1975-1982				
	1975	1980	1981	1982
<b>Total Construction Starts (Square Feet)</b>	0	3,330,867	1,751,000	1,045,000
<b>Location of Office Construction (Percent)</b>				
Downtown	-	61.6%	4.7%	62.8%
Outside Downtown	-	38.4	95.3	37.2
<b>Prime New Space Lease Rates (Dollars per Square Feet)</b>				
Downtown				
Existing Space	\$9.50	\$13.00	17.00	18.50
Space Under Construction	-	15.00	23.00	25.25
Outside Downtown				
PA Suburbs	7.50	10.00-14.00	10.50-17.00	10.50-19.50
NJ Suburbs	7.25	12.00	10.00-13.00	9.50-16.00
<b>Leasing Activity (Square Feet)</b>				
Downtown				
Existing Space	1,269,500	1,351,936	1,488,134	729,477
Space Under Construction	-	459,568	352,000	263,000
Outside Downtown				
Existing Space	681,337	1,339,168	1,533,779	1,156,488
Space Under Construction	-	328,300	373,000	105,500
<b>Occupancy Rates (Percent)</b>				
Downtown				
Existing Space	78.5%	93.1%	94.8%	89.2%
Space Under Construction	-	24.2	25.5	24.8
Outside Downtown				
Existing Space	66.0%	94.7%	93.6%	84.2%
Space Under Construction	-	25.5	6.1	13.1
Source: Jackson-Cross Company				



RESIDENTIAL CONSTRUCTION: 1970-1981				
(Number of Permits)				
	1970	1975	1980	1981
Total New Units	22,735	23,865	12,403	8,884
Location of New Units (Percent)				
Within City Limits	21%	13%	20%	21%
In Suburban and Fringe Areas	79	87	80	79
Type of Units Built	Total 1970-1979			
Single-Family	135,388		8,714	5,970
Two-Family	7,679		1,336	816
Multifamily <sup>1</sup>	85,266		2,353	2,098
<sup>1</sup> Three or more units in structure				
Source: U.S. Department of Housing and Urban Development, Philadelphia Regional Office				



RETAIL MARKET: 1980-1983				
<b>Total Construction</b> (000 000s of Square Feet)	<b>1980</b> 2.0	<b>1981</b> 0.4	<b>1982</b> 2.5	<b>1983</b> 0.8
<b>Location</b> (Percent)				
Downtown	80%	0	0	50%
Outside Downtown	20	100	100	50
<b>Type of Space</b> (Percent)				
Regional/Super Regional Centers	75%	0	100%	50%
Smaller Shopping Centers	25	100	0	50
<b>Space Lease Rates</b> (Dollars per Square Foot)				
Regional Malls	\$8-\$35	\$8-\$35	\$12-\$40	-
Smaller Centers <sup>1</sup>	6- 10	6- 10	6- 12	-
<b>Leasable Space Occupied</b> (Percent)	90%	93%	95%	-
<sup>1</sup> Triple net.				
Source: Jackson-Cross Company.				



EXHIBIT

## 1910 LOGAN SOUTH BUILDING STOCK INVENTORY

1939

1984

	RESIDENTIAL	COMMERCIAL	INSTITUTION	RESID.	COMA.	LOU.	INST.	%	SINGLE FAMILY				MULTI-FAMILY				PERCENT
									NEW	OLD	REMB.	OLD	C. P.	IN	JUST	CHANCE	
ARCH	80	4		39	9	12	3	44	108:34C				4	5	14		23
CHERRY	62	5	1	56	3	10	1.3	5	43				6	1	10		10
RACE	57	15		27	7	3		10	14				9	2	1		6
20	18		1			12	2										2
21	46	7		42	4	5	2	24	3				227	37	3		20
22	6	25		2	19			68	5								30
23	23	3		2	3			12									10
SUMMER	14			7		7											36
SPRING	24			24													30
W. R. L. T.	20	4		14	4	3		9	13								1.3
LAMBERT	14			14					14								
WOODSTOCK	15			15					8								
Apple tree	34			30		4		24	16								2
Butterwood									4								
TOTAL	413	63	2	272	49	42	3	8	146	151	34C	40	14	13	1		3
C. P. 1910				347				390 (191 old)									

Exhibit 15





1910 Bradley



## EXHIBIT A-3

[illegible]



INSTITUTION

LOGAN SOUTH-1984  
DOYLE SURVEY  
EXHIBIT  
INSTITUTION

SPRING

24R.

RACE

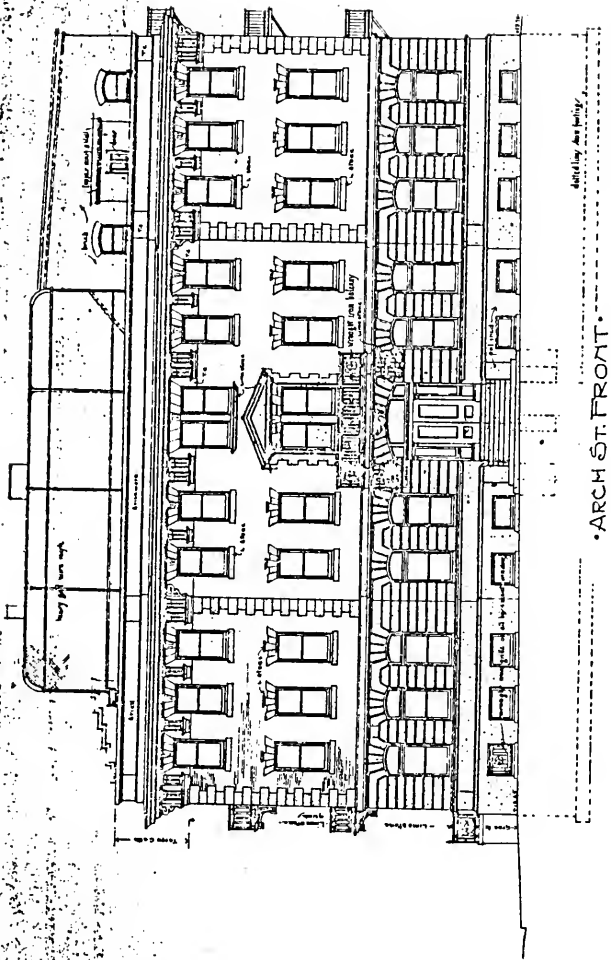
CHERRY

APCH

LEITFÜHRER

Exhibit 18





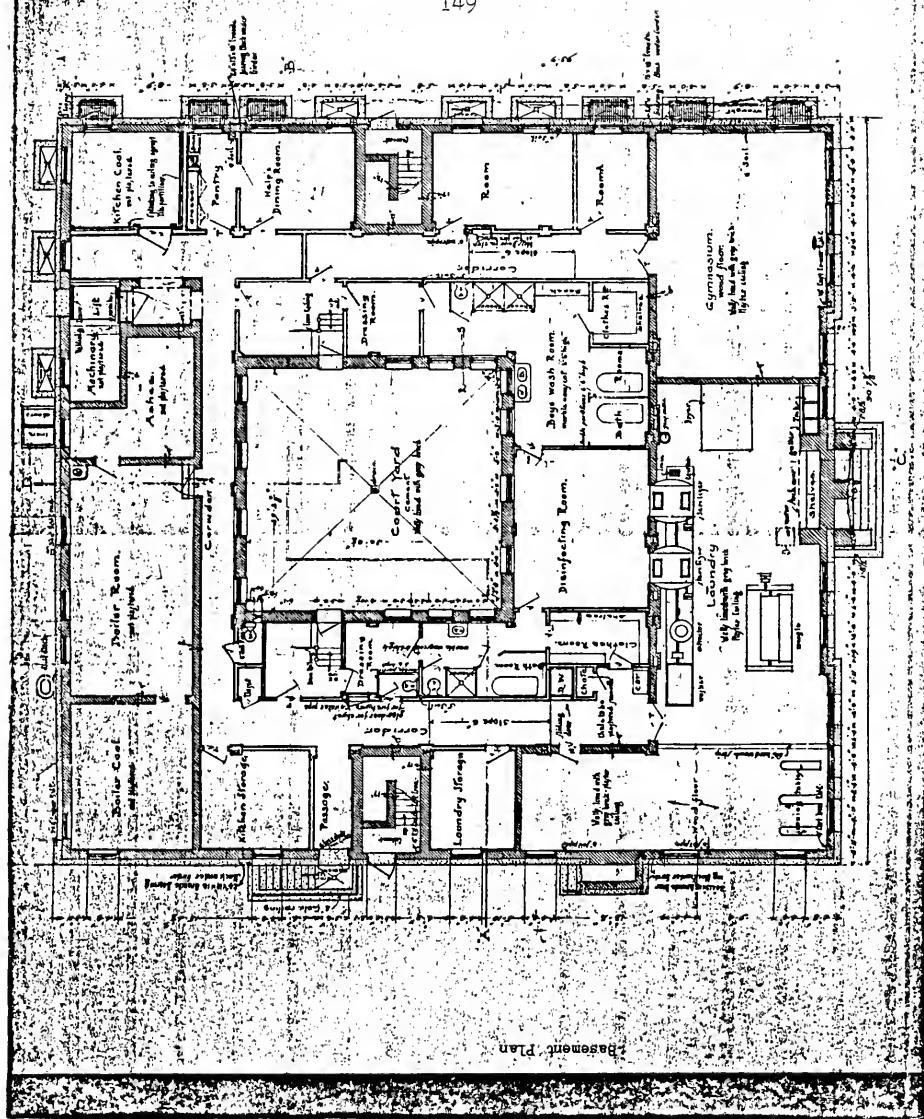
# HOUSE OF DETENTION

THE COR. 12<sup>th</sup> & ARCH STREETS  
PHILADELPHIA PA

PHILADELPHIA ARCHITECTS  
1834-35 12th and Arch Sts.  
PHILADELPHIA PA









## First Floor Plan

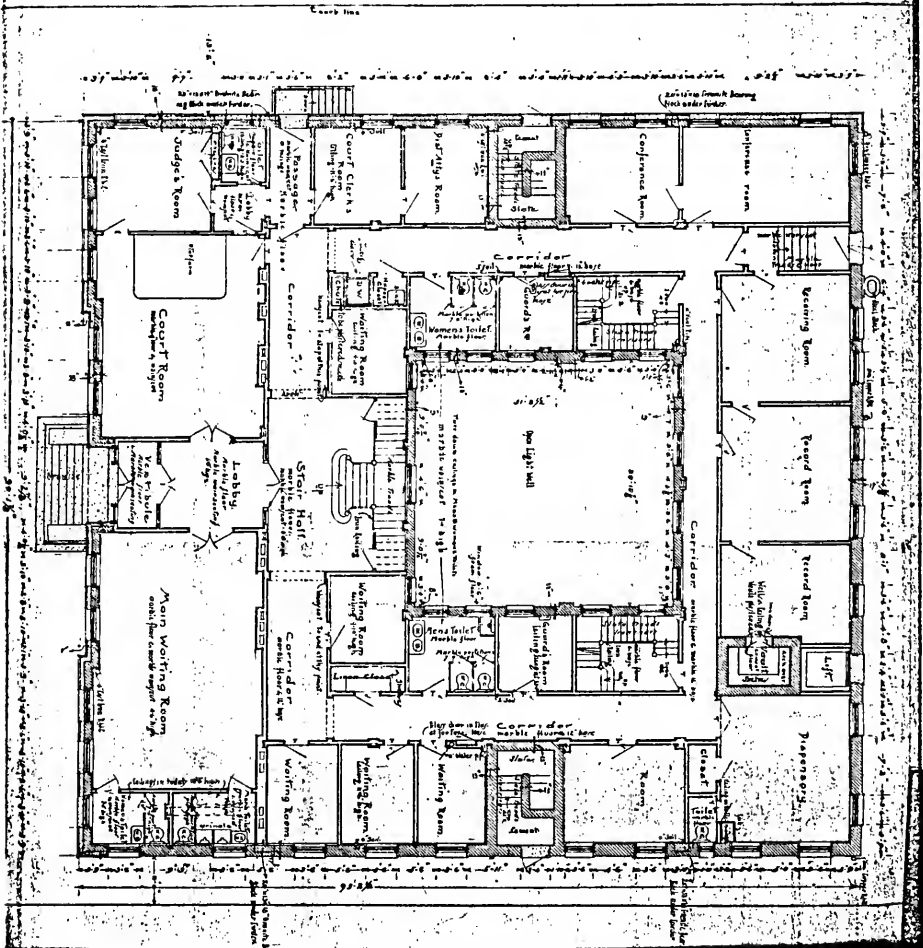


Exhibit 21



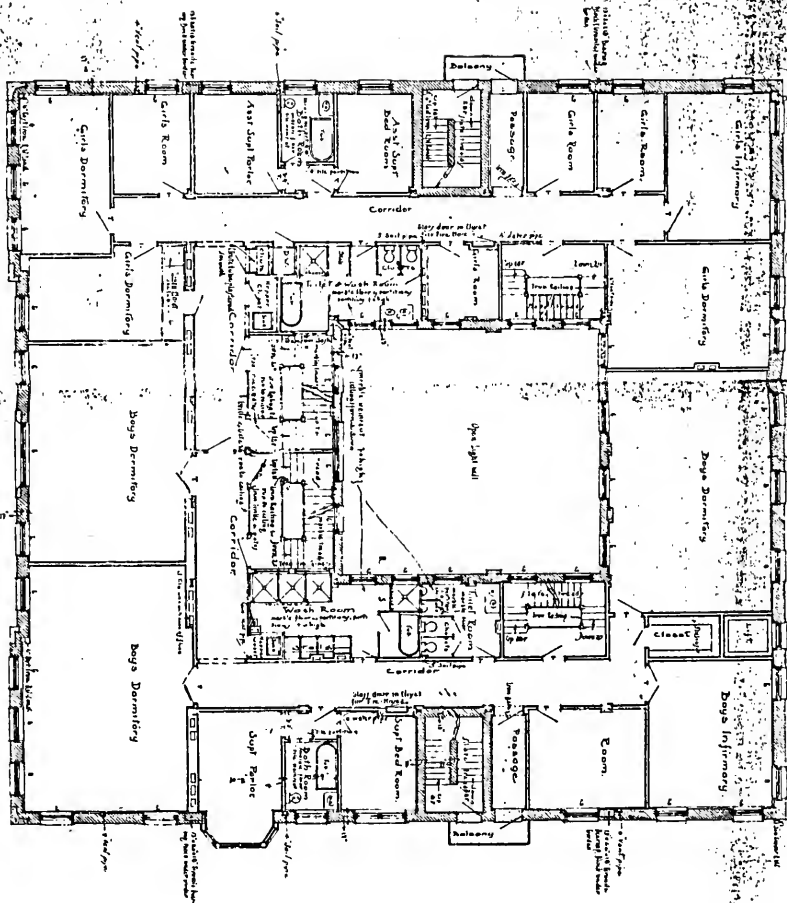
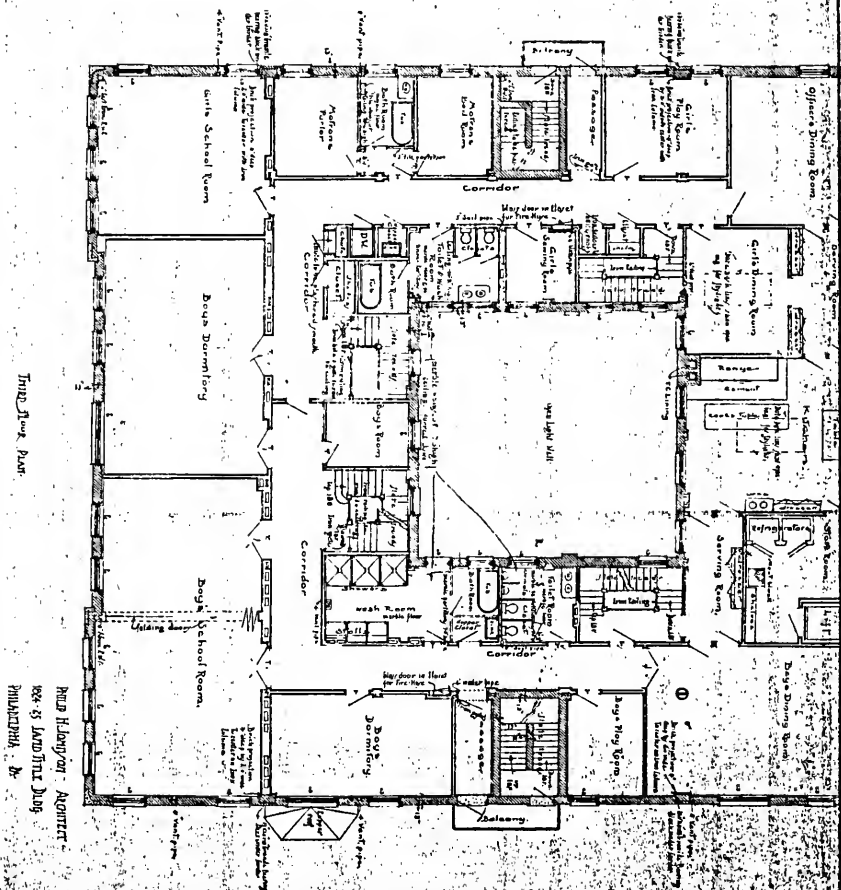


Exhibit 22



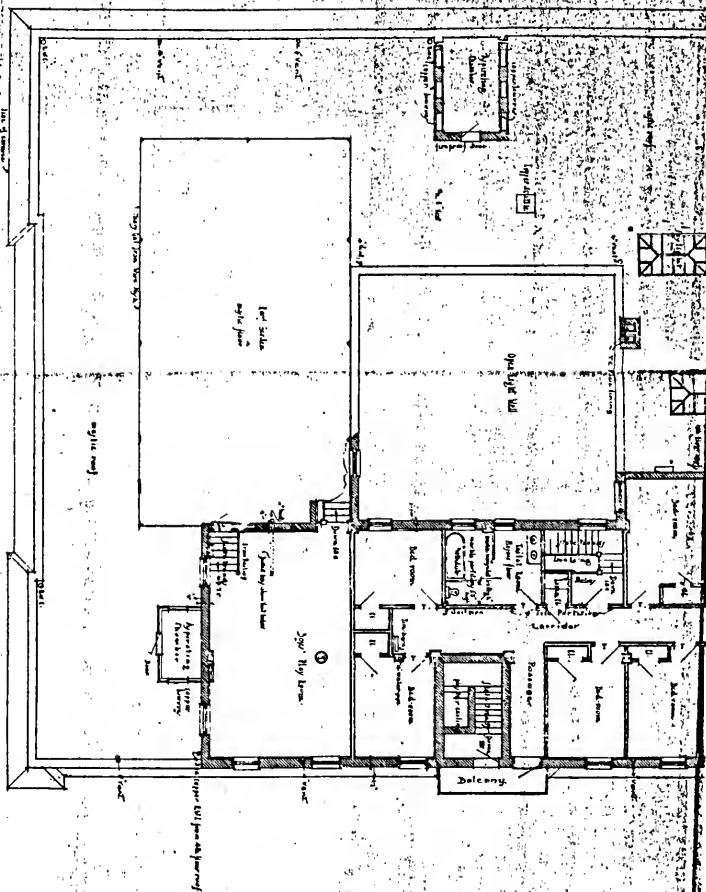




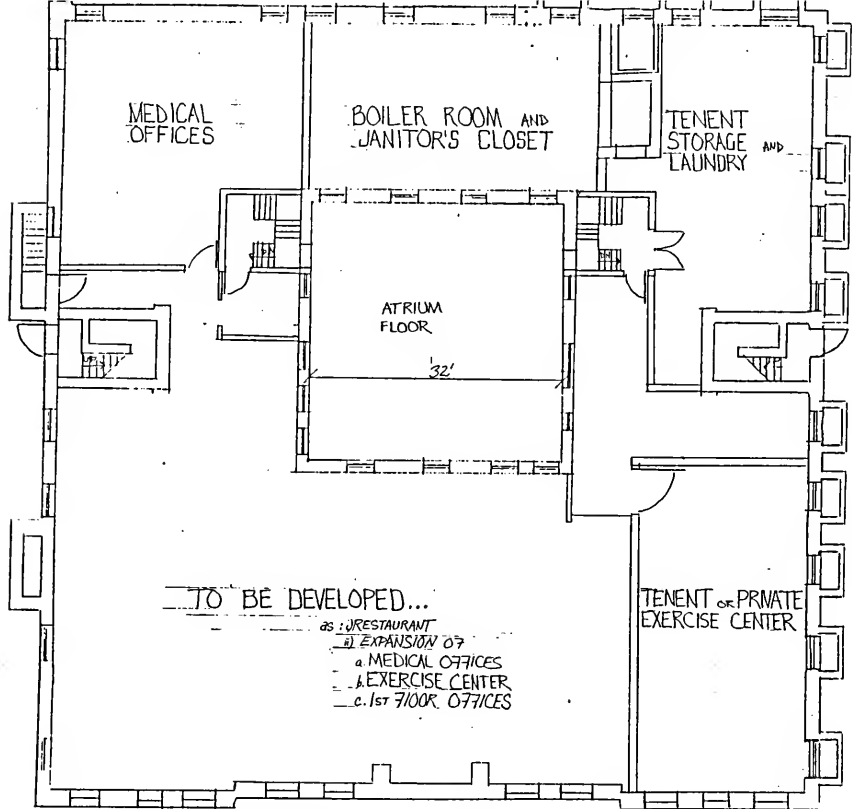


# FOURTH FLOOR PLAN

Note: Dwyer marked T to have hanging over  
 from Hong Kong Apartment.  
 Note: 6 and 7 are also  
 Philadelphia Pa.

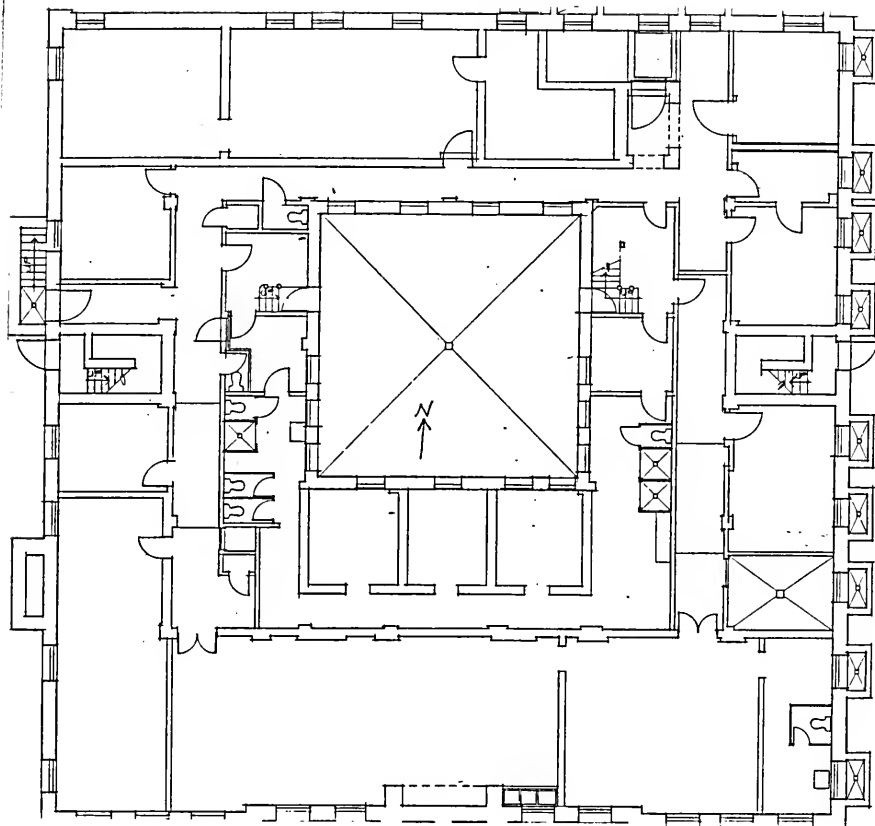






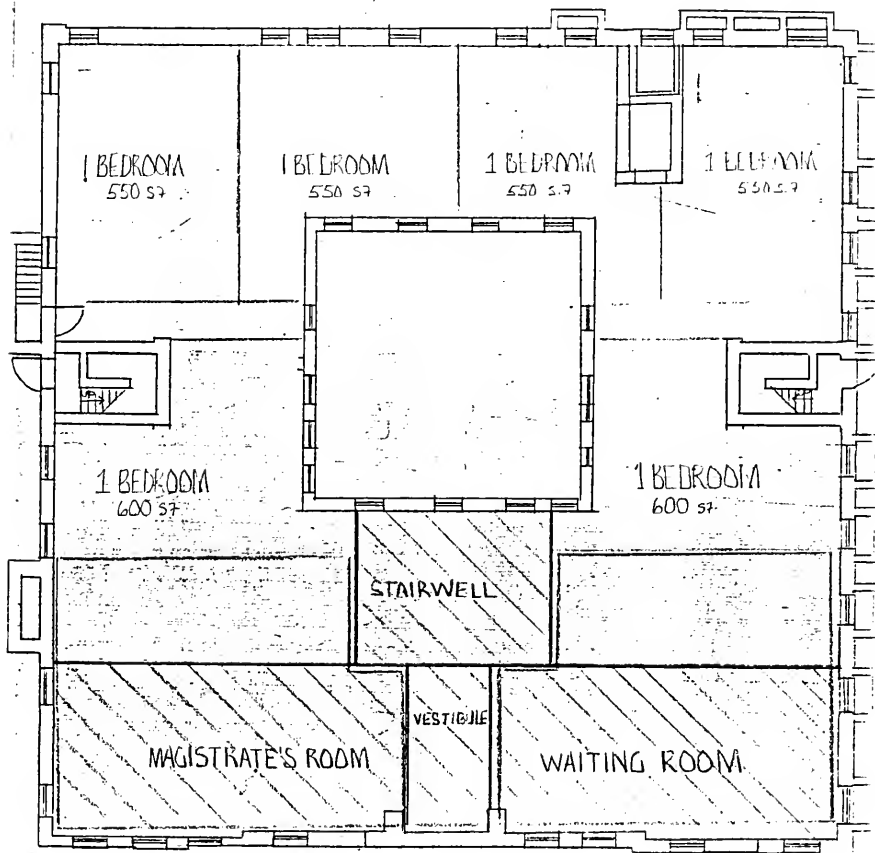
## BASEMENT - MIXED USE



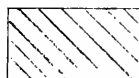


BASEMENT - EXISTING PLAN





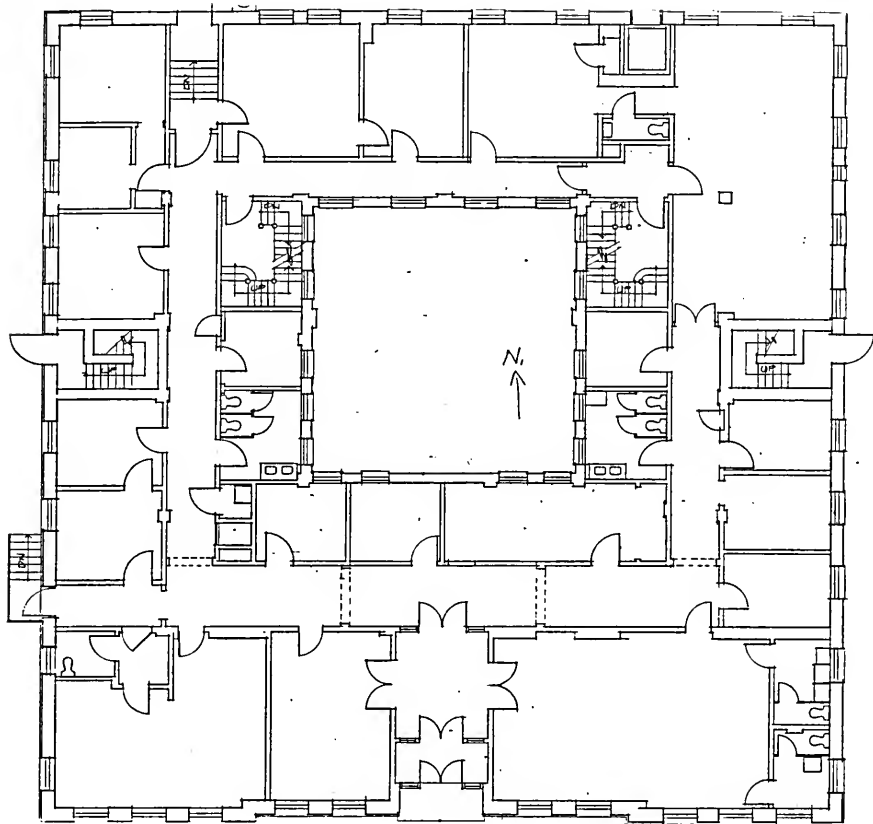
# FIRST FLOOR-MIXED USE



PRESERVATION  
ZONE  
NO. 1 PRIORITY  
APARTMENT  
OFFICE

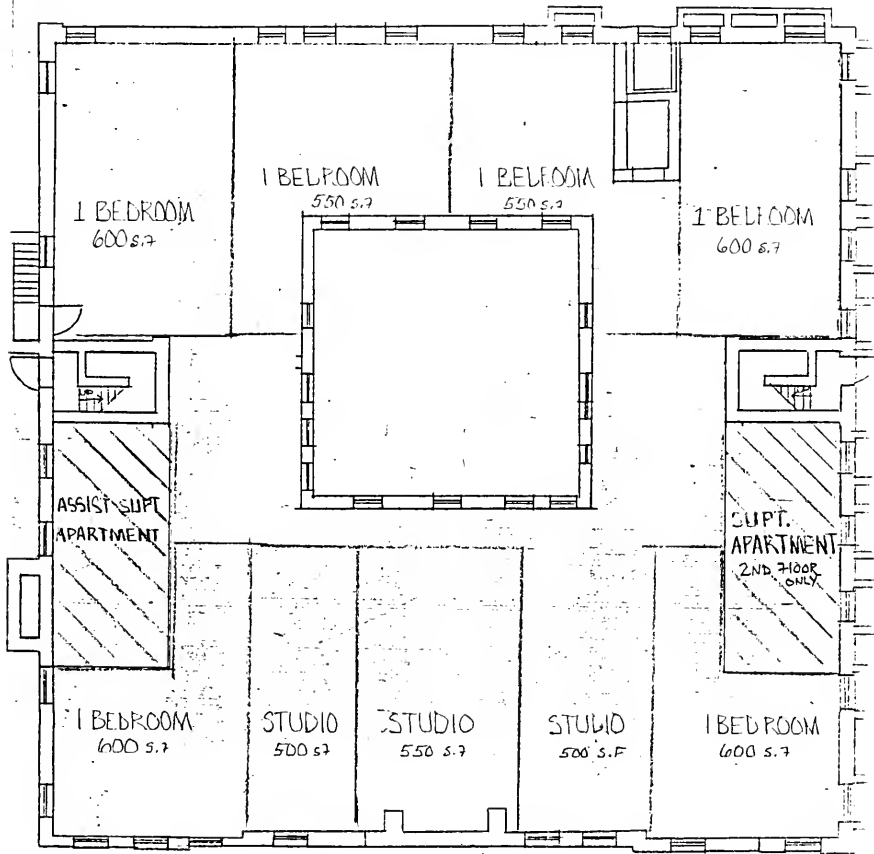




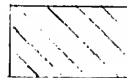


FIRST FLOOR - EXISTING

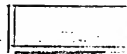




SECOND FLOOR - MIXED-USE  
THIRD FLOOR

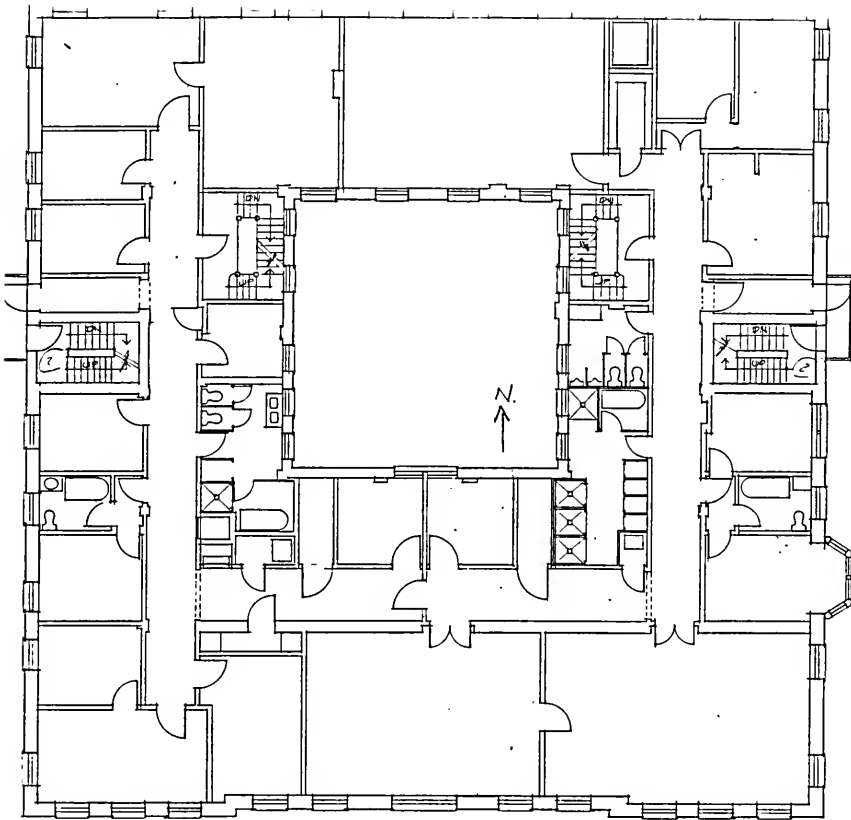


PRESERVATION  
ZONE  
NO.1 PRIORITY



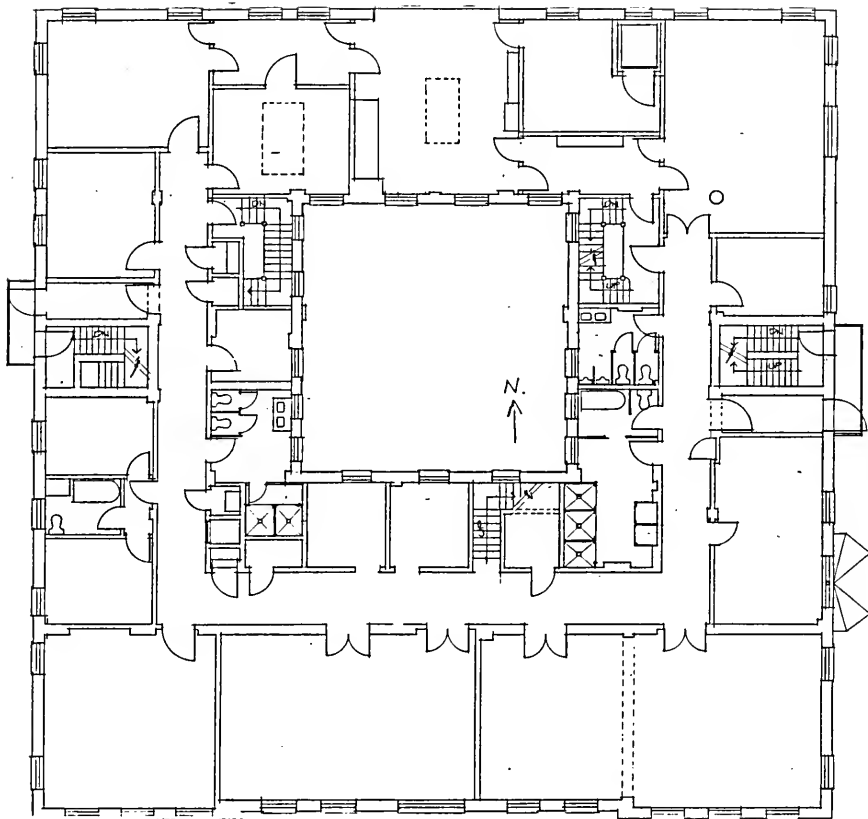
PROPOSED  
APARTMENTS





SECOND FLOOR-EXISTING

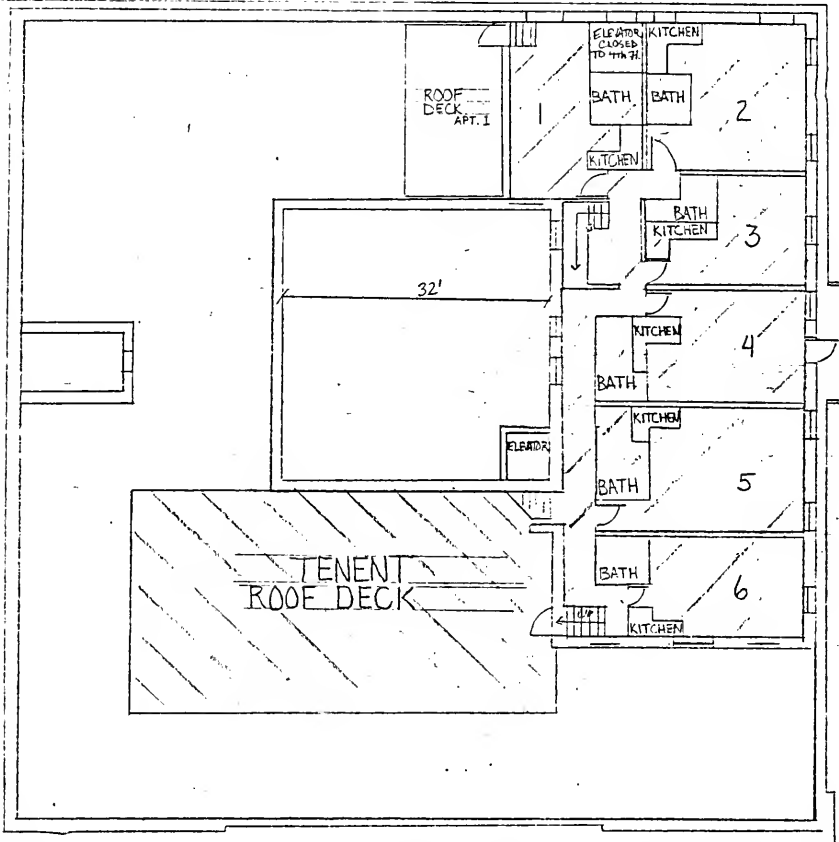




THIRD FLOOR - EXISTING





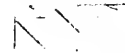


90'  
2133 ARCH ST - 4th FLOOR

FOURTH FLOOR - MIXED USE



PRESERVATION  
ZONE No. 1



APARTMENTS  
- STUDIO -  
© 350 s.f.



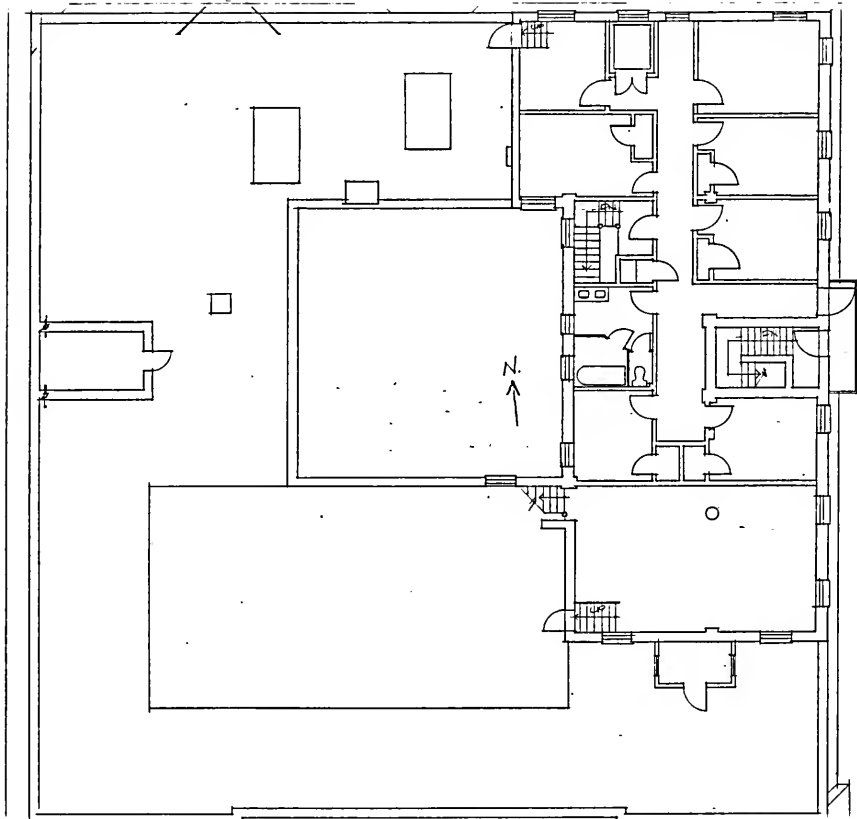
*FOURTH FLOOR - EXISTING*

Exhibit 33



-----

Commercial Mixed Use  
Summary of Financial Information

Mortgage Amount	1996500
Construction Loan	1996500
Rentable Square Feet	26000
Rent per Sq. Ft.	
Resid.	12.6
Comm.	12.00
Expenses per Sq. Ft.	5.50
Equity Contrabutions	720000
1985	210000
1986	150000
1987	150000
1988	120000
1989	90000
Partnership Units	30
Bridge Loan @ 15%	850000

Property Purchase Price	700000
Improvements	1945000
Investment Tax Credit	486250
Facade Easement	258300

Year	Equity	Loss	Tax Svg	Writeoff	Cash Flo	Cash Position
1985	7000	-19980	9990	2.85:1	6660	2990
1986	5000	-18303	9151	3.66:1	5490	4151
1987	5000	-16377	8188	3.28:1	3822	3188
1988	4000	-14072	7036	3.52:1	3647	3076
1989	3000	-13664	6832	4.55:1	3964	3832
Total	24000	-82395	41198		23582	17237

-----



## Variables Mixed Use

Rentable Sq. Ft.	26000
Rent Base	330000
Rental increase	.05
Gross Income Alloc	.04
Vacancy	.05
Total Exp	96000
Equity Contrib Y1	210000
Y2	150000
Y3	150000
Y4	120000
Y5	90000
Mort. Term (Mo.)	600
Construction Loan	1996500
Const Loan Int	.15
Guarantee Fees	70000
Cap Rate A	.09
Cap Rate B	.11
Cap Rate C	
Mgmt. Fee	.04
LP% Frnt End	.99
LP Units	30
LP CF Back End	.25
Pref CF	.1
Pref Int	.1
Deprec. Yrs.	5
Inv Rel. Fees	10000
Cost of Property	700000
Closing	25000
Inpvmts	1945000
Gain Tax Rate	.2
Inc. Tax Rt.	.5
GP Back End	.25
LP Excess	.75
Yrs. to Sale	5
Sales Comm	50000
GP Payments	100000
Orig. Costs	20000
Legal	70000
Points	70000
Print/Appras	20000
ITC Amt. @.25	486250
Facade Easement @ .09	258300
Bridge Loan	850000
Payback	250000
Y2	160000
Y3	160000
Y4	160000
Y5	150000
Br. Loan Int.	.15
Bridge Fee @ .01	9000





Mixed Use Mix Sources	1985	1986	165 1987	1988	1989
Gross Rents					
Resid.	258300	271215	284775	299013	313963
Comm.	72000	75600	79380	83349	87516
Total	330300	346815	364155	382362	401479
Vacancy .05	-16515	-17341	-18208	-19118	-20074
Adj. Inc.	313785	329474	345947	363244	381405
1st Mort.	1996500				
Equity	210000	150000	150000	120000	90000
Bridge	850000				
-----					
Total Sourc	3370285	479474	495947	483244	471405
USES					
Property	685000				
Impvts	1945000				
Const Loan	279510				
Sell Fee	50000				
1st Mort I	279510	279510	279510	279510	279510
Closing	25000				
Legal/Acct	50000	10000	10000		
Print/Appra	20000				
Points	70000				
Guarantee f	70000				
RE Trans/Dc	43300	11550	12474	13470	14550
GP Payments	20000	20000	20000		
Br Ln Paybk		250000	160000	160000	160000
Br Ln Int	127500	127500	127500	127500	127500
Mgmt Fees	12551	13178	13837	14529	15256
Expenses	92484	97108	101963	107061	112414
TOTAL USES	3769855	808846	725284	702070	709230
Cash Flow	-399570	-329372	-229337	-218826	-237825
LP Share	-13319	-10979	-7645	-7294	-7927
LP Tax Svg	6660	5490	3822	3647	3964



## Mixed Use

## OPERATING INCOME

Year	1985	1986	1987	1988	1989
Adj Grs Inc	313785	329474	345947	363244	381405
General	5000	5750	6612	7603	8743
Marketing	40000	5000	1000	1000	1000
Insurance	2353	2471	2594	2724	2860
Utilities	6275	6589	6918	7264	7628
RE Tax	12551	13178	13837	14529	15256
Outside Ser	34516	36242	38054	39956	41954
Mgmt Fee	12551	13178	13837	14529	15256
Total Expen	113246	82408	82852	87605	92697
NOI	200539	247066	263095	275639	288708
Org Exp Amz	3333	3333	3333	3333	3333
Perm Ln Pts		14000	14000	14000	14000
Part/admin	30000	20000	20000	10000	10000
Perm Ln Int	279510	279510	279510	279510	279510
Guaran.fee	30000	9000	5000	5000	5000
Counsel	25000	10000	5000	5000	5000
Deprec.	156100	156100	156100	156100	156100
Investr.Ser	15000	15000	5000	5000	5000
Facade Ease.		64575	64575	64575	64575
ITC Value	97250	97250	97250	97250	97250
Escrows	12551	13178	13837	14529	15256
Bridge Fee	1800	1800	1800	1800	1800
Bridge Int	127500	90000	66000	18000	18000
Const I Amz	27951	27951	27951	27951	27951
Total Amz E	805995	801697	759356	702048	702775
Taxable Inc	-605456	-554631	-496261	-426409	-414067
LP Share	-599401	-549084	-491298	-422145	-409926
Unit Share	-19980	-18303	-16377	-14072	-13664
Tax Svg	9990	9151	8188	7036	6832



Mixed Use Limited Partnership Benefits							Cum Cash
Year	Equity	Loss	Tax Svg	Writeoff	Cash Flo		Position
1985	7000	-19980	9990	2.85:1	6660		9650
1986	5000	-18303	9151	3.66:1	5490		9641
1987	5000	-16377	8188	3.28:1	3822		7010
1988	4000	-14072	7036	3.52:1	3647		6723
1989	3000	-13664	6832	4.55:1	3964		7796
Total	24000	-82395	41198		23582		40820
Sale Proceeds		Cap Rate		Growth Rate			
	.09	.11		1.05	1.07		
Proceeds	3207867	2624619		3376000	3710000		
Mort Bal	1996500	1996500		1996500	1996500		
Broker fee	160393	131230	0	168800	185500		
Net Proceed	1050974	496889	0	1210700	1528000		
LP Shr @.75	788230	372666	0	908025	1146000		
Taxes							
Net Proceed	1050974	496889		1210700	1528000		
Less Adj Ba	1080750	1080750		1080750	1080750		
Gain on Sal	-29776	-583861	0	129950	447250		
Tax @ .2				25990	89450		
LP Shr tx/1	-993	-19462	0	4332	14908		
Net LP Dist	758454	-211195	0	1037975	1593250		
Per Unit	25282	-7040	0	34599	53108		



BASEMENT  
COMMERCIAL - CLASS-B

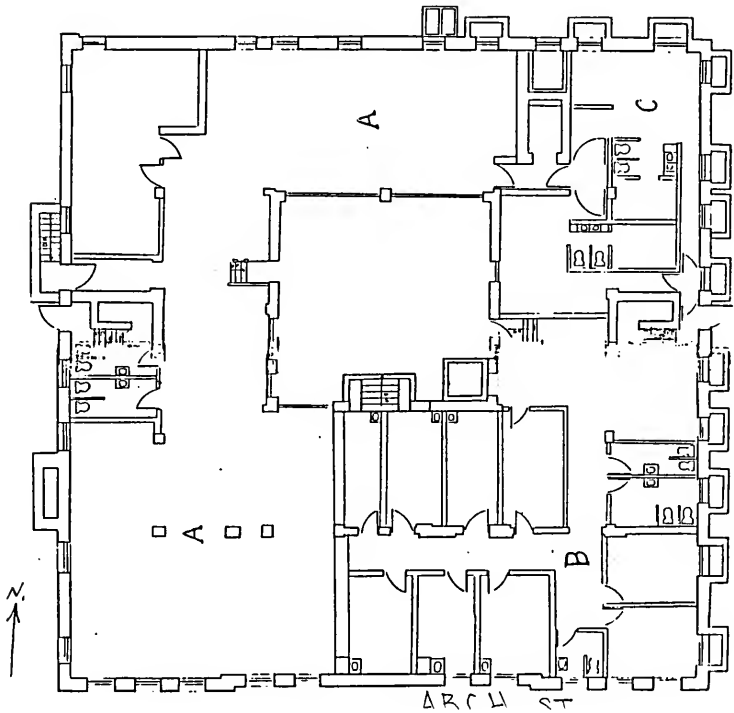
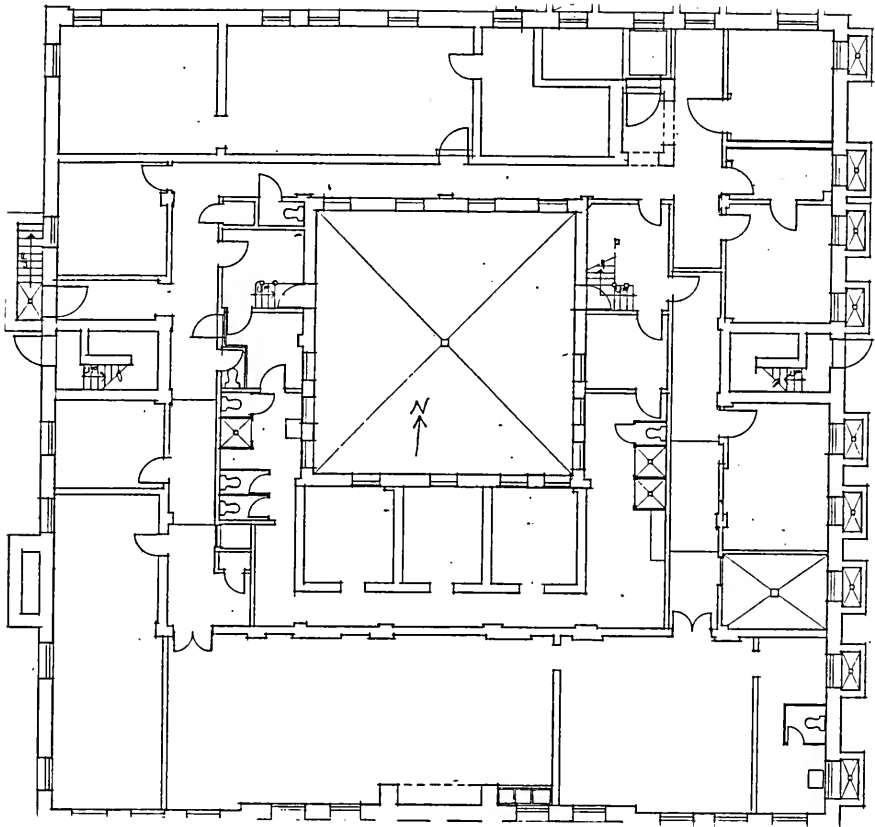


Exhibit 39

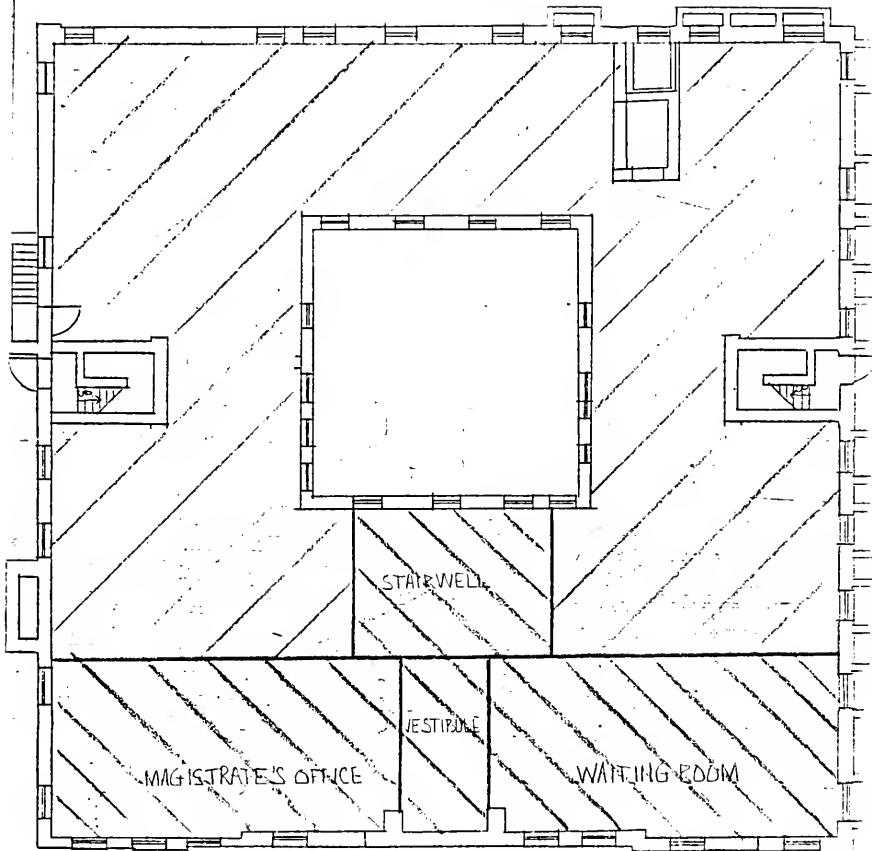




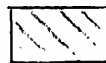


BASEMENT EXISTING PLAN





FIRST FLOOR-COMMERCIAL-CLASS-B

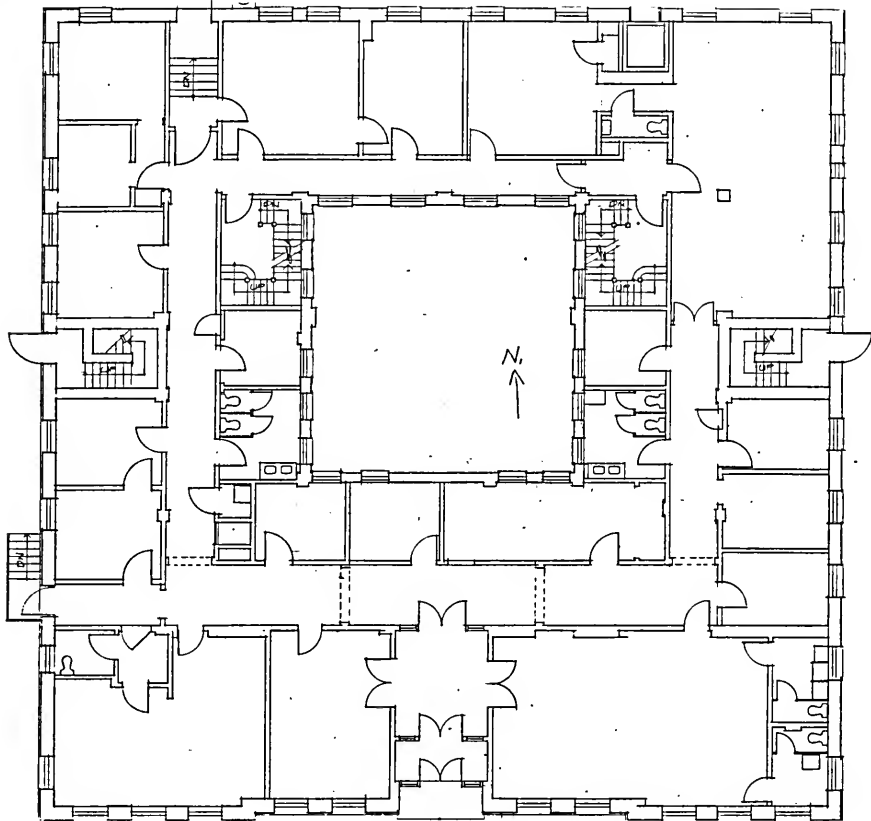


PRESERVATION  
ZONE  
No. 1 PRIORITY



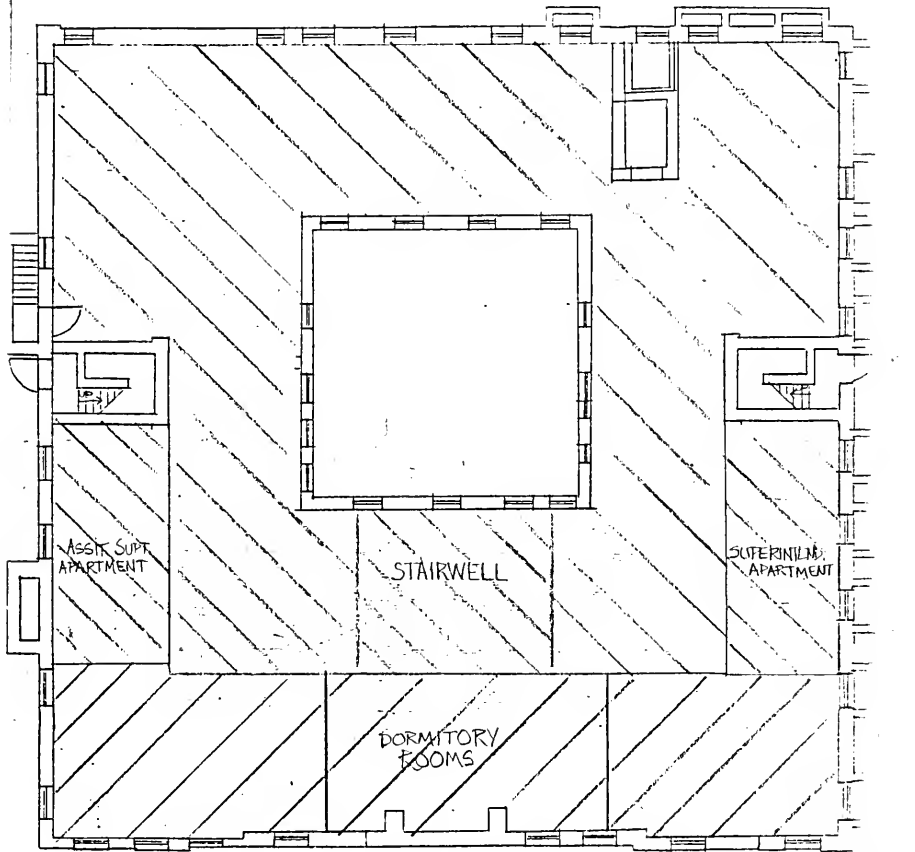
COMMERCIAL OFFICES



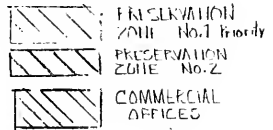


FIRST FLOOR - EXISTING



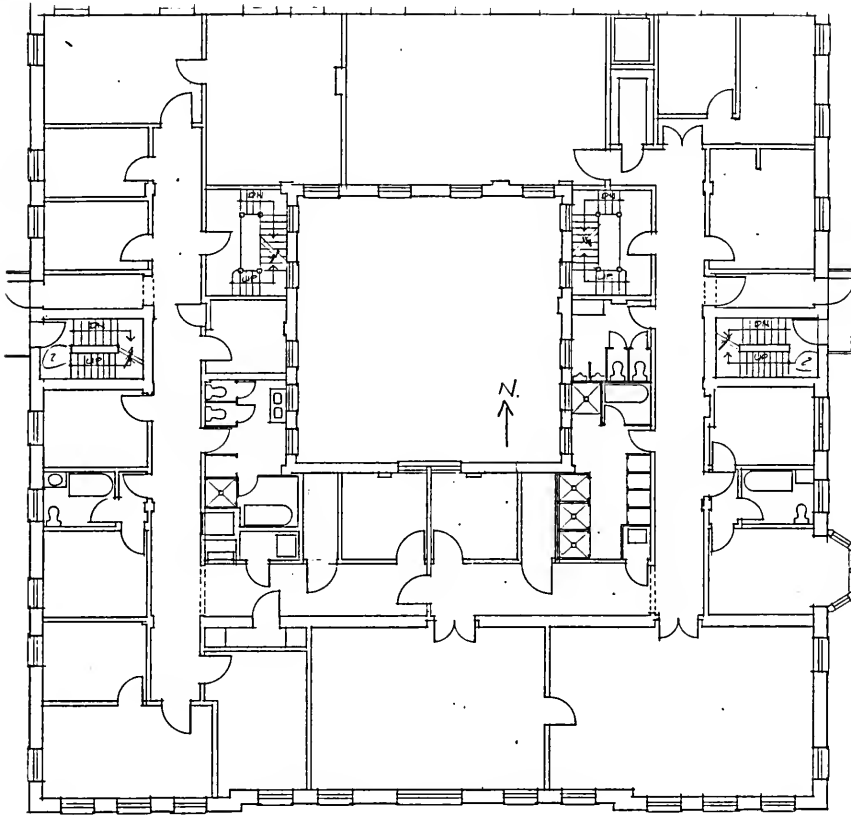


SECOND and THIRD FLOOR COMMERCIAL-B



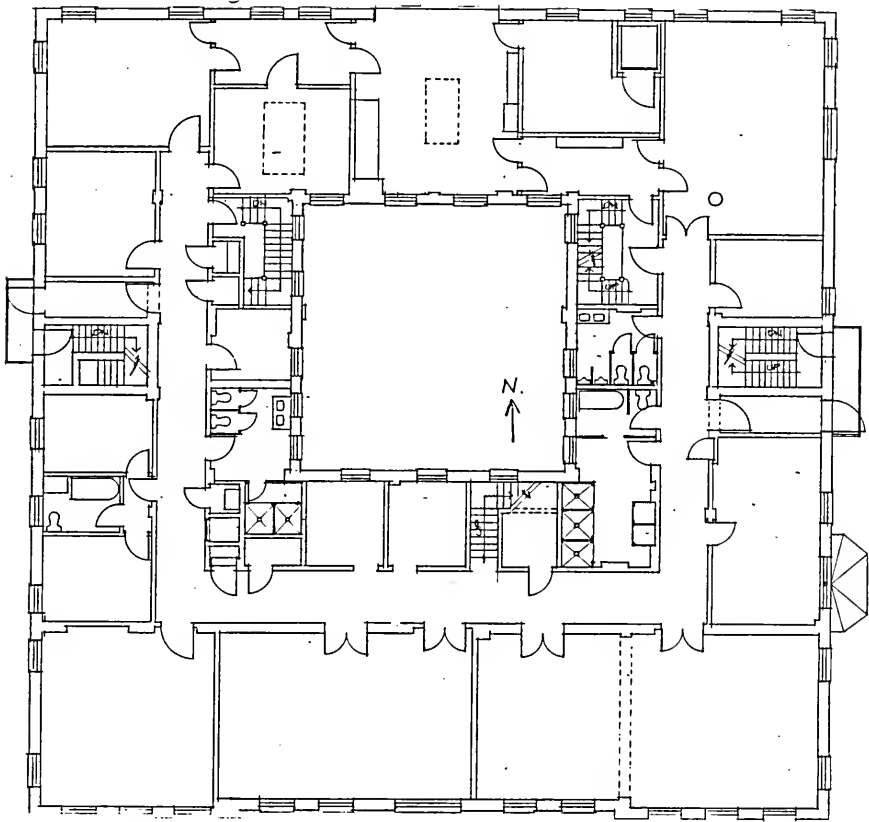






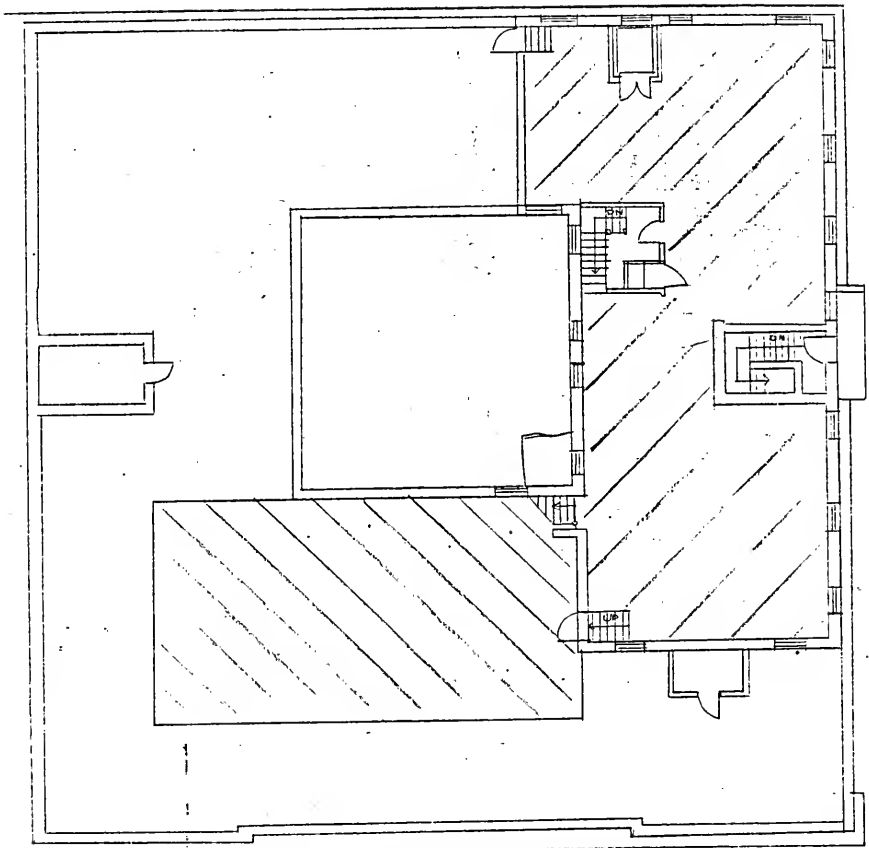
SECOND FLOOR-EXISTING





THIRD FLOOR - EXISTING

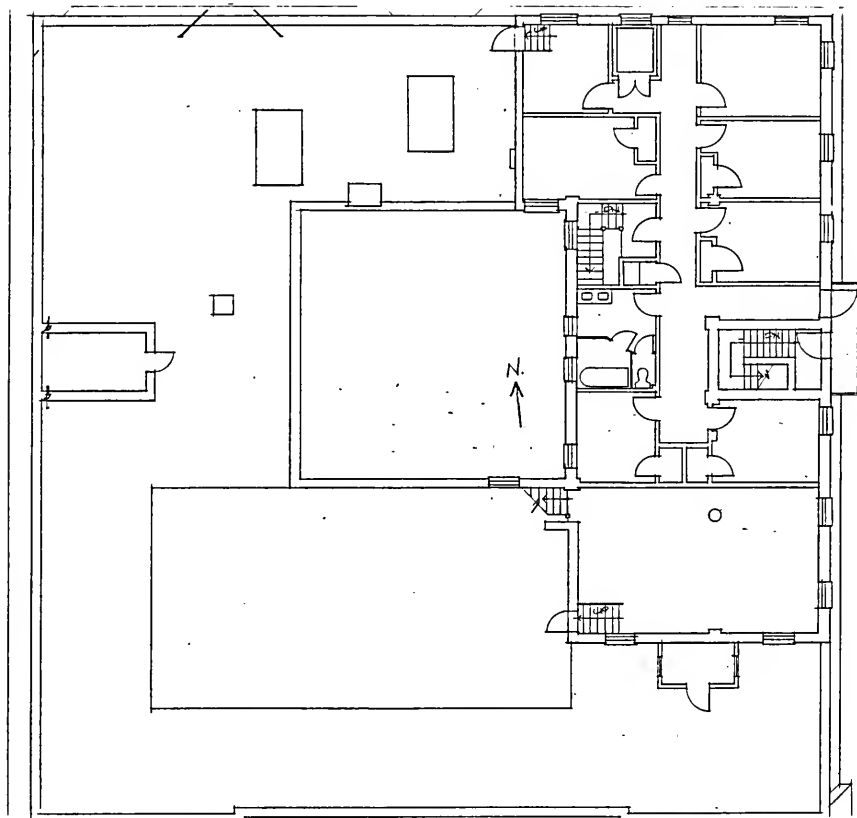




FOURTH FLOOR - COMMERCIAL - B







FOURTH FLOOR - EXISTING





## Summary of Financial Information

## Commercial Class B

Mortgage Amount	1969000
Construction Loan	1969000
Rentable Square Feet	26000
Rent per Sq. Ft.	12

Expenses per Sq. Ft.	5.5
Equity Contributions	720000
1985	210000
1986	150000
1987	150000
1988	120000
1989	90000
Partnership Units	30
Bridge Loan @ 15%	400000

Property Purchase Price	700000
Improvements	1269000
Investment Tax Credit	317250
Facade Easement	160000

## Limited Partner Benefits

Year	Equity	Loss	Tax Svg	Writeoff	Cash Flo	Cum Cash Position
1985	7000	-6925	3463	1.0:1	2959	-578
1986	5000	-13414	6707	2.6:1	1049	2756
1987	5000	-12166	6083	2.4:1	1683	2766
1988	4000	-11696	5848	2.7:1	1178	3026
1989	3000	-10963	5482	3.6:1	939	3421
Total	24000	-55164	27582		7808	11391



## Variables Class B

Rentable Sq. Ft.	26000
Rent Base	312000
Rental increase	.06
Gross Income Alloc	.04
Vacancy	.05
Total Exp	143000
Equity Contrib Y1	140000
Y2	290000
Y3	150000
Y4	70000
Y5	70000
Mort. Term (Mo.)	360
Construction Loan	1720000
Const Loan Int	.15
Guarantee Fees	70000
Cap Rate A	.09
Cap Rate B	.11
Cap Rate C	
Mgmt. Fee	.04
LP% Frnt End	.99
LP Units	30
LP CF Back End	.75
Pref CF	.1
Pref Int	.1
Deprec. Yrs.	15
Inv Rel. Fees	10000
Cost of Property	700000
Closing	20000
Inpvmts	1269000
Gain Tax Rate	.2
Inc. Tax Rt.	.5
GP Back End	.25
LP Excess	.25
Yrs. to Sale	5
Sales Comm	46000
GP Payments	100000
Orig. Costs	20000
Legal	65000
Points	40000
Print/Appras	18000
ITC Amt. @.25	317250
Facade Easement @ .09	159210
Bridge Loan	800000
Payback	
Y2	195000
Y3	105000
Y4	100000
Y5	95000
Br. Loan Int.	.15
Bridge Fee @ .01	6000



-----  
Sources      Class B

Year	1985	1986	1987	1988	1989
Gross Rent	310000	325500	341775	358863	376806
Vacancy .05	15500	16275	17089	17943	18840
Adj. Inc.	294500	309225	324686	340920	357966
1st Mort.	1720000				
Equity	210000	150000	150000	120000	90000
Bridge	400000				
Total Sourc	2624500	459225	474686	460920	447966

## USES

Property	700000				
Impvts	1269000				
Const Loan	106400				
Sell Fee	46000				
1st Mort I	0	240800	240800	240800	240800
Closing	20000				
Legal/Acct	45000				
Print/Appra	18000				
Points	40000				
Guarantee f	67000				
RE Trans/Oc	43300	11500	12500	13500	14500
GP Payments	20000	20000	20000	20000	20000
Br Ln Paybk	0	100000	100000	100000	100000
Br Ln Int	60000	50000	40000	35000	22500
Mgmt Fees	11780	12369	12987	13636	14318
Expenses	88350	92767	97405	102275	107389

TOTAL USES	2534830	427436	423692	425211	419507
------------	---------	--------	--------	--------	--------

Cash Flow	89670	31789	50994	35709	28459	0
-----------	-------	-------	-------	-------	-------	---

LP Share	88773	31471	50484	35351	28174
LP Unit Shr	2959	1049	1683	1178	939



## Commercial Class B

## OPERATING INCOME

Year	1985	1986	1987	1988	1989
Adj Grs Inc	294500	309225	324686	340920	357966
General	6000	6300	6615	6945	7292
Marketing	40000	10000	1000	1000	1000
Insurance	2000	2100	2205	2315	2430
Utilities	43000	45150	47407	49777	52265
RE Tax	12000	12600	13230	13891	14585
Outside Ser	40000	42000	44100	46305	48620
Mgmt Fee	11780	12369	12987	13636	14318
Total Expen	154780	130519	127544	133869	140510
NOI	139720	178706	197142	207051	217456
Org Exp Amz	3333	3333	3333	3333	3333
Perm Ln Pts		8000	8000	8000	8000
Part/admin	10000	10000	10000	10000	10000
Perm Ln Int		240800	240800	240800	240800
Guaran.fee	30000	5000	5000	5000	5000
Counsel	25000	5000	5000	5000	5000
Deprec.	105000	105000	105000	105000	105000
Investr.Ser	15000	15000	5000	5000	5000
Facade Ease.		40000	40000	40000	40000
ITC Value	63450	63450	63450	63450	63450
Escrows	12000	12600	13230	13891	14585
Bridge Fee		1200	1200	1200	1200
Bridge Int	60000	50000	40000	35000	22500
Const I Amz	25800	25800	25800	25800	25800
Total Amz E	349583	585183	565813	561474	549668
Taxable Inc	-209863	-406477	-368671	-354423	-332212
LP Share	-207764	-402412	-364984	-350878	-328890
Unit Share	-6925	-13414	-12166	-11696	-10963
Tax Svg	3463	6707	6083	5848	5482

-----





Limited Partner Benefits			Commercial Class B				Cum Cash
Year	Equity	Loss	Tax Svg	Writeoff	Cash Flo	Position	
1985	7000	-6925	3463	1.0:1	2959	-578	
1986	5000	-13414	6707	2.6:1	1049	2756	
1987	5000	-12166	6083	2.4:1	1683	2766	
1988	4000	-11696	5848	2.7:1	1178	3026	
1989	3000	-10963	5482	3.6:1	939	3421	
Total	24000	-55164	27582		7808	11391	

## Sale Proceeds

	.09	Cap Rate .11	1.05	Growth Rate 1.07
Proceeds	3977397	3254234	2512998	2761624
Mort Bal	1720000	1720000	1720000	1720000
Broker fee	159096	130169	100520	110465
Net Proceeds	2098301	1404064	692478	931159
LP Shr @.75	1573726	1053048	519359	698369
Taxes				
Net Proceeds	2098301	1404064	692478	931159
Less Adj Bas	1590000	1590000	1590000	1590000
Gain on Sale	508301	-185936	-897522	-658841
Tax @ .2	101660	-37187	-179504	-131768
LP Shr tx/ls	76245	-27890	-134628	-98826
Net LP Dist	1649971	1025158	384730	599543
Per Unit	54999	34172	12824	19985



## 2133 ARCH STREET - THE MULBERRY ATRIUM

This project involves the rehabilitation of an early 20th century Orphan's Court building into class A office space. The finished office building will contain 31,500 square feet of rental space.

This building is not in an historic district and is not currently individually listed on the National Register.

Current plans call for the demolition of all interior partitions to create open plan office space. An existing 30' x 30' light-well will receive an elevator and a skylight to form an atrium. To achieve access to the existing partial fourth floor the elevator will be extended to the roof and the existing stair tower on 22nd Street will also be extended to this level. This will necessitate the removal of the existing deteriorated basketball pavilion on the roof.

Our plans for the facades include the replacement of all double hung windows and frames with new fixed dark bronze steel frames and dark brown tinted thermal glass. All exterior masonry will be cleaned, repointed and recaulked utilizing historic restoration specifications.

The existing basement window openings will receive granite panel infills to match the adjacent granite as closely as possible. The existing wood and glass entrance doors will be replaced with Herculite doors, transoms, and sidelights.

Sidewalk improvements will include the addition of a handicapped ramp to the rear of the building. A new glass and steel sidewalk canopy will be added at the main entrance. A new 3' high granite planter will be constructed along the Arch Street facade and partially along the 22nd Street facade. This planter will encroach on the sidewalks approximately 3 feet. New granite steps will be added to existing granite steps on the 22nd Street entrance. And, finally, we are planning to place an elaborate Victorian free-standing clock at the corner of 22nd and Arch. The clock will be similar in appearance to the clock that now stands in front of Reading Terminal.

We realize some of our plans for the exterior and facades of the Arch Street building may, in the Committee's view, not conform to the historic aspects of the building. However, we firmly believe these alterations are necessary in order to provide the atmosphere associated with Class A office space. If our client is to compete with the new, modern skyscrapers being erected in Philadelphia, which have modern finishes and energy-saving thermal glass, these changes must be made.

Thank you for giving us the opportunity to present these projects.

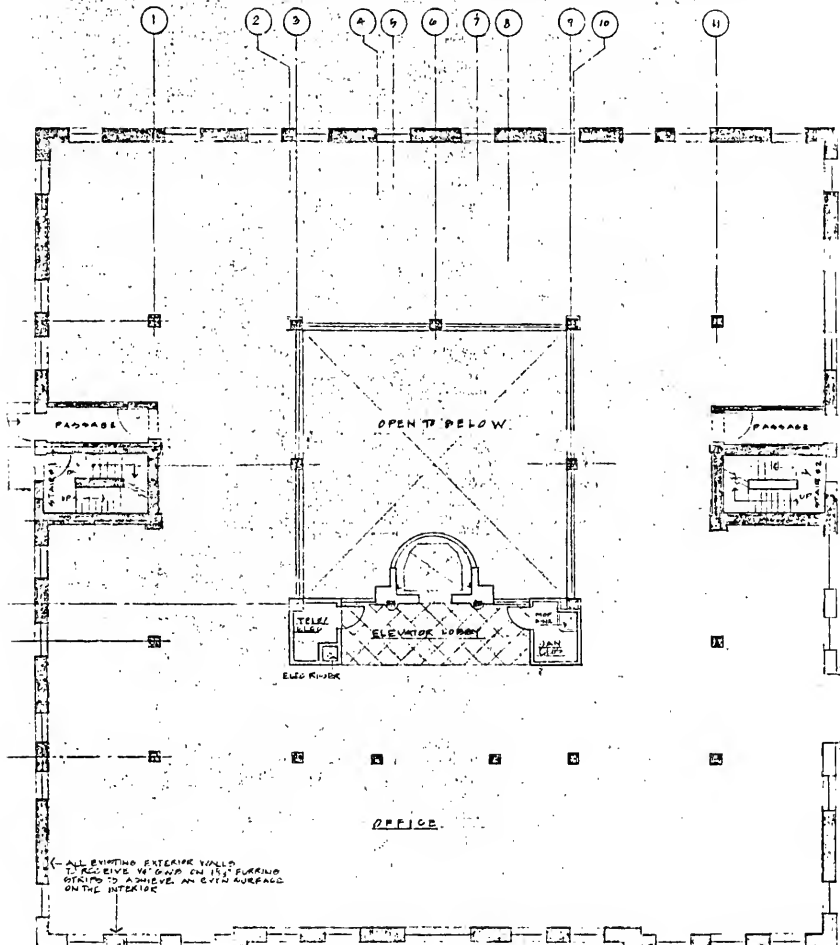
Sincerely,

HANS P. STEIN ARCHITECTS, INC.



Michael McCann  
MMC/jj





Source : Hans Stein, AIA





Exhibit 56





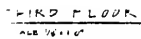
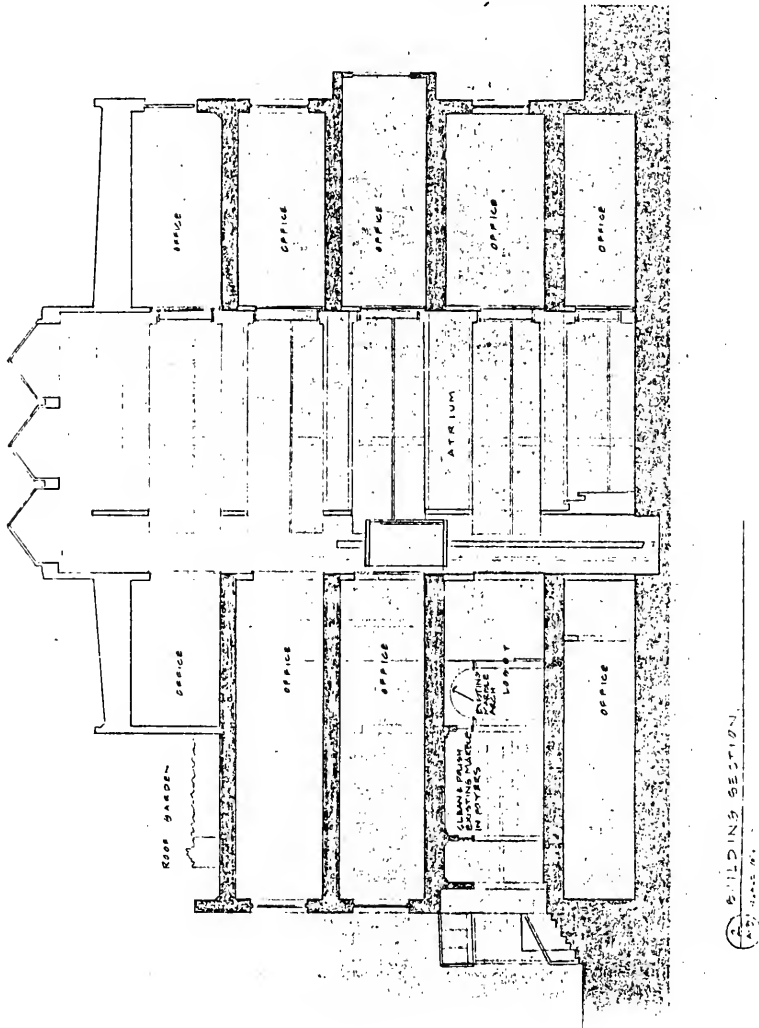


Exhibit 57





Source: Hans Stein, AIA

Exhibit 58





EAST ELEVATION

SCALE: 1/8" = 1'-0"

Source: Hans Stein, AIA

Exhibit 59



-----

Summary of Financial Information Commercial Class A

Mortgage Amount	1935000
Construction Loan	1935000
Rentable Square Feet	32000
Rent per Sq. Ft.	\$15

Expenses per Sq. Ft.	5.5
Equity Contributions	720000
1985	210000
1986	150000
1987	150000
1988	120000
1989	90000
Partnership Units	30
Bridge Loan @ 15%	850000

Property Purchase Price	700000
Improvements	1700000
Invest Tax Credit @.20	340000
Facade Easement	0

Limited Partner Benefits

Year	Equity	Loss/Gain	Tax Svc	Cash Flo	Writeoff	Position
1985	7000	-10333	5167	87	1.5:1	-1920
1986	5000	-8533	4266	8095	1.5:1	7361
1987	5000	-6792	3396	7309	1.4:1	5705
1988	4000	-5966	2983	11175	1.5:1	10158
1989	3000	-5116	2558	11765	1.7:1	11323
	24000	-36740	18370	38431		56801





---

Variables Commercial Class A

Rentable Sq. Ft.	32000
Rental Increase	.05
Gross Inc Alloc	.04
Vacancy	.05
Rent Base	500000
Total Exp	176000
Equity Contrib Y1	210000
Y2	150000
Y3	150000
Y4	120000
Y5	90000
Mort. Term (Mo.)	720
Construction Loan	1935000
Const Loan Int	.15
Guarantee Fees	70000
Cap Rate A	.09
Cap Rate B	.11
Cap Rate C	
Mgmt. Fee	.04
LP% Frnt End	.99
LP Units	30
LP CF Back End	.75
Pref CF	.1
Pref Int	.1
Deprec. Yrs.	
Inv Rel. Fees	10000
Cost of Property	700000
Closing	20000
Inpvmts	1700000
Gain Tax Rate	.2
Inc. Tax Rt.	.5
GP Back End	.25
LP Excess	.25
Yrs. to Sale	5
Sales Comm	50000
GP Payments	100000
Orig. Costs	20000
Legal	70000
Points	40000
Print/Appras	20000
ITC Amt. @.20	370000
Facade Easement	0
Bridge Loan	650000
Payback	
Y2	200000
Y3	150000
Y4	150000
Y5	150000
Br. Loan Int.	.15
Bridge Fee @ .01	6000



-----  
Sources      Commercial Class A

Year	1985	1986	1987	1988	1989
Gross Rent	500000	525000	551250	578812	607752
Vacancy .05	25000	26250	27562	28940	30387
Adj. Inc.	475000	498750	523688	549872	577365
'1st Mort.	1935000				
Equity	210000	150000	150000	120000	90000
Bridge	850000				
Total Sourc	3470000	648750	673688	669872	667365

USES

Property	700000				
Impvts	1700000				
Cnst Loan I	145125				
Sell Fee	50000				
'1st Mort I	290250				
Closing	30000				
Legal/Acct	50000				
Print/Appra	20000				
Points	80000				
Guarantee f	70000				
RE Trans/Oc	43000	11000	120000	13000	14000
GP Payments		25000	25000	25000	25000
Br Ln Paybk		250000	200000	200000	200000
Br Ln Int	127500	97500	86250	71250	48750
Mgmt Fees	19000	19950	20947	21994	23094
Expenses	142500				
TOTAL USES	3467375	403450	452197	331244	310844
Cash Flow	2625	245300	221491	338628	356521
LP Share	2598	242847	219276	335241	352955
LP Unit Shr	87	8095	7309	11175	11765



OPERATING INCOME		Commercial Class A			
Year	1985	1986	1987	1987	1988
Adj Grs Inc	475000	498750	523688	549872	577365
General	6000	6300	6615	6945	7292
Marketing	40000	15000	2500	2500	2500
Insurance	2500	2625	2756	2893	3037
Utilities	50000	52500	55125	57881	60775
RE Tax	11000	12000	13000	14000	15000
Outside Ser	40000	42000	44100	46305	48620
Mgmt Fee	19000	19950	20947	21994	23094
Total Expen	168500	150375	145043	152518	160318
NOI	306500	348375	378645	397354	417047
Org Exp Amz	3333	3333	3333	3333	3333
Perm Ln Pts		8000	8000	8000	8000
Part/admin	20000	20000	20000	20000	20000
Perm Ln Int	290250	290250	290250	290250	290250
Guaran.fee	10000	10000	10000	10000	10000
Counsel	25000	5000	5000	5000	5000
Deprec.	130000	130000	130000	130000	130000
Investr.Ser	15000	15000	5000	5000	5000
Facade Ease.					
ITC Value	74000	74000	74000	74000	74000
Escrows	12000	12600	13230	13891	14585
Bridge Fee		15000	15000	15000	15000
Bridge Int	127500	93750	63750	48750	33750
Const I Amz	12750	12750	12750	12750	12750
Total Amz E	719833	689683	650313	635974	621668
Taxable Inc	-413333	-341308	-271668	-238620	-204621
LP Share	-309999	-255981	-203751	-178965	-153465
Unit Share	-10333	-8533	-6792	-5966	-5116
Tax Svg	5167	4266	3396	2983	2558



-----  
Limited Partner Benefits

## Commercial Class A

Year	Equity	Loss/Gain	Tax Svc	Cash Flo	Writeoff	Position
1985	7000	-10333	5167	87	1.5:1	-1920
1986	5000	-8533	4266	8095	1.5:1	7361
1987	5000	-6792	3396	7309	1.4:1	5705
1988	4000	-5966	2983	11175	1.5:1	10158
1989	3000	-5116	2558	11765	1.7:1	11323
Total	24000	-36740	18370	38431		56801

## Sale Proceeds

	.09	Cap Rate .11		Growth Rate 1.05	1.07
Proceeds	6415167	5248773		3063075	3366124
Mort Bal	1935000	1935000		1935000	1935000
Broker fee	256606	209950		122523	134644
Net Proceed	4223561	3103823	0	1005552	1296480
LP Shr @.75	3167670	2327867	0	754164	972360
Taxes					
Net Proceed	4223561	3103823	0	1005552	1296480
Less Adj Ba	1175000	1175000		1175000	1175000
Gain on Sal	3048561	1928823	0	-169448	121480
Tax @ .2	609712	385764	0	-33889	24296
LP Shr tx/1	457284	289323	0	-12708	18222
Net LP Dist	2710386	2038544	0	766872	954138
Per Unit	90346	67951	0	25562	31805

Exhibit 64







Anne & Jerome Fisher

FINE ARTS LIBRARY

University of Pennsylvania

Please return this book as soon as you have finished with it. It must be returned by the latest date stamped below.

24

FINE ARTS

NOV 15 1992

LIBRARY

FINE ARTS

SEP 8 1993

LIBRARY

FINE ARTS

SEP 26 2001

LIBRARY

3 1198 04975 4042



N/1198/04975/4042X

3 1198 04975 4042



N/1198/04975/4042X